

Scrutiny Overview Committee

1 DECEMBER 2020

Draft Revenue Budget 2021/22 – 2023/24 and in-year Position 2020/21

Ward(s) All

Portfolios: All - specifically in relation to services within the Committee's remit -

Cllr M Bird – Leader of the Council
Cllr A Andrew – Regeneration (Money Home Job)
Cllr G Perry – Resilient Communities
Cllr B Chatta – Personnel and Business Support

Executive Summary

The draft revenue budget, as reported to Cabinet on 28 October 2020, includes the latest medium term financial outlook (MTFO) for the period 2021/22 to 2023/24. It provides an updated in year position, medium term financial outlook and first draft revenue budget for 2021/22 to 2023/24, including savings proposals for consultation, and sets out the process and timescales for setting a legally balanced budget for 2021/22.

Our MTFO has been updated for all known pressures, including assumptions around the ongoing impact of Covid-19, resulting in an adjusted financial gap of £33.66m in 2021/22. The Council is legally obliged to set a one year balanced budget (2021/22), however a medium term approach is beneficial to allow for sound financial planning and to support future financial stability. Whilst there is a significant number of savings proposals for 2021/22 and 2022/23, further options are being identified to allow for a balanced budget for 2021/22. The remaining gap reported to Cabinet on 28 October 2020 report, subject to all the policy and operational proposals within the report going on to be included in the final budget in February 2021, is £12.32m for 2021/22. A further round of proposals will therefore be presented to Cabinet in advance of a final budget being recommended to Council in February 2021.

A one year Spending Round for 2021/22 is expected later this year followed by a one year provisional local government settlement for 2021/22 around December 2020. This makes planning for future years very difficult, as funding is extremely uncertain for 2021/22 and beyond. Our current funding and cost assumptions are set out in the report to Cabinet on 28 October 2020, however they are subject to change. A one year Spending Review is to be announced on 25 November, followed by our Provisional grant Settlement expected sometime in December. Any variation to current assumptions will be addressed in the next available report to Cabinet following receipt.

Scrutiny Overview Committee are asked to consider the Draft Revenue Budget report as presented to Cabinet on 28 October 2020. Those investments and savings proposals relating to services within the specific remit of this Committee are highlighted in the report for ease of reference.

Feedback from this Committee on the draft proposals will be reported back to Cabinet on 9 December 2020. This will inform the final draft budget to be considered by Cabinet on 10 February 2021 to be recommended to Council on 25 February 2021. Any changes to Cabinet's draft revenue budget proposals as a result of equality impact assessments and consultation will be fed into the final budget report.

Reasons for Scrutiny

To enable consultation of the overall draft revenue budget proposals for the council as a whole, and for services within the remit of this Committee.

Recommendations:

That:

1. The Committee are recommended to consider the draft revenue budget proposals contained within the attached Cabinet report. Those investments and savings relating to specific services within the remit of this Committee are shaded grey for ease of reference.
2. The Committee are asked to note that consultation will be undertaken on all new 2021/22 policy proposals shown in Appendix 3, and that feedback will be presented to Cabinet in advance of the final budget being recommended to Council in February 2021.

Background papers:

Various financial working papers.

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Cabinet – 28 October 2020

Draft Revenue Budget 2021/22 – 2023/24 and in-year Position 2020/21

Portfolio: Councillor M. Bird – Leader of the Council (Lead Portfolio)

Related Portfolios: All

Service: Finance – council wide

Wards: All

Key decision: No

Forward plan: Yes

1. Aim

- 1.1 To provide an updated in year position, medium term financial outlook and first draft revenue budget for 2021/22 to 2023/24, including savings proposals for consultation, and set out the process and timescales for setting a legally balanced budget for 2021/22.

2. Summary

- 2.1 The 2020/21 budget was approved by Council on 27 February 2020, and is monitored throughout the year to address any performance issues and manage key risks and pressures as they arise. 2020/21 has been a particularly challenging year, with the global pandemic impacting greatly on service delivery and financially. Emerging service pressures and Covid-19 have required action to be taken to limit the Council's financial exposure. These actions continue to try and ensure that the budget is balanced at year-end, with a sufficient level of reserves to manage existing liabilities and emerging risks which may arise in 2021/22, including the unknown ongoing impact of Covid-19.

- 2.2 The report covers the four year period 2020/21 to 2023/24, including:

- The revenue and capital forecast position for 2020/21, including the impact of Covid-19;
- Actions being taken to address the impact of the current year's revenue pressures;
- An update on the Medium Term Financial Outlook (MTFO), based on known pressures and assumptions for 2021/22 to 2023/24;
- Proud savings proposals identified to date to deliver a balanced budget for 2021/22 by February 2021 and savings in relation to 2022/23;
- The timeline for the setting of the revenue budget and capital programme, including stakeholder consultation and equality impact assessments.

- 2.3 The Council continues to respond to the unprecedented financial challenges imposed by Covid-19. Government originally committed to fully compensating councils for the costs of authorities' responses to Covid-19 and has to date allocated £40.08m of funding (plus c£54m of business grants) to help support those costs in Walsall, as set out in this report (Appendix 1). As well as the initial costs of funding the Council's response, the impact of Covid-19 includes significant loss of income following closure of services and facilities; a considerable impact on the council tax and business rates income; and delays to the delivery of approved budget savings as the Council has refocused its resources on its response to Covid-19.
- 2.4 The combined service based outturn position along pressures arising from Covid-19 is a "reasonable case" forecast overspend of £0.59m, rising to £9.47m in the "reasonable worse case" scenario. Action continues to be taken, and there is confidence that sufficient on-going and one-off actions will be identified to bring the position back in line with the approved budget based on the "reasonable case" scenario. Given the current national situation, there is considerable uncertainty as to the true position.
- 2.5 The Council is able to manage the financial impact of Covid-19 in 2020/21 *providing* Covid-19 cost pressures and income losses remain within the 'reasonable' case scenario as set out in this report, however should cost pressures and income losses substantially exceed this, then additional actions will need to be taken. Given the current nation-wide position of a second wave starting to be experienced, then the risk of further impact increases. Should this be the case, the Council may be reliant on further funding from Government to be able to balance its books in 2020/21 and 2021/22. Government has recently announced a further £1bn of funding to be made available however the allocation methodology and therefore Walsall's' share of this is not yet known.
- 2.6 The proposed multi-year government Comprehensive Spending Review was delayed a year due to Brexit negotiations. Because of this, a one year Spending Round was confirmed on 24 February 2020 for 2020/21 only. A further one year Spending Round for 2021/22 is expected later this year followed by a one year provisional local government settlement for 2021/22 around December 2020. This makes planning for future years very difficult, as funding is extremely uncertain for 2021/22 and beyond. Our current funding and cost assumptions are set out in this report, however they are subject to change. It should also be noted that the Chancellor cancelled the Autumn budget for 2020 which also suggests they are focusing on shorter term planning at this time.
- 2.7 There has been no further announcements on when the new "fair funding" and "business rates" review will be introduced including reset. It is thought that this could also be delayed a further year and so come into effect in 2022/23. This report assumes no changes arising from these reviews until we have further government direction.

- 2.8 Our MTFO has been updated for all known pressures, including assumptions around the ongoing impact of Covid-19, resulting in an adjusted financial gap of £33.66m in 2021/22. The Council is legally obliged to set a one year balanced budget (2021/22), however a medium term approach is beneficial to allow for sound financial planning and to support future financial stability. Whilst this report contains a significant number of savings proposals for 2021/22 and 2022/23, further options are being identified to allow for a balanced budget for 2021/22. The remaining gap as at this October report, subject to all the policy and operational proposals within this report going on to be included in the final budget in February 2021, is £12.32m for 2021/22. A further round of proposals will therefore be presented to Cabinet on 9 December 2020.
- 2.9 To ensure the budget process and delivery of savings is informed by a clear purpose and key Council priorities, the Corporate Plan and Proud Programme objectives are being used to shape future service delivery proposals through Proud Service Transformation Plans.
- 2.10 A further report will be presented to Cabinet on 9 December 2020 which will cover the following:
- A further update on the current financial position for 2020/21, including financial health indicators and treasury indicators for quarter 2;
 - An assessment of the Spending Review and 2021/22 financial Settlement (if received) and any revisions required to the 2021/22 budget and MTFO
 - Further Proud savings proposals for 2021/22;
 - Feedback from Scrutiny Overview Committees;
 - The draft capital programme for 2021/22 and future years.
- 2.11 The Council's Medium Term Financial Strategy (MTFS), approved by Cabinet on 15 July 2020, is the framework within which the Council's financial planning and management is undertaken and its budget set. The main objectives of the Strategy are to set out how the Council will structure and manage its finances now and in the future and to ensure this approach facilitates delivery of the council's aims and objectives.
- 2.12 The final budget, including any changes arising from consultation and equality impact assessments, tax base changes, the S151 statement on the robustness of the budget estimates and the adequacy of reserves, recommended levels of reserves and contingencies, the final allocation of direct Government funding and other specific grants will be presented to Cabinet on 10 February 2021 for recommendation to Council, and this will be considered by full Council on 25 February 2021.

3. Recommendations

Cabinet are requested to:

- 3.1 Note that the service based revenue forecast, based on the position as at August 2020, is forecast to be an overspend of £0.42m, excluding the impact of Covid-19 as shown in Table 1.
- 3.2 Note that the revenue forecast for Covid-19 pressures after deducting all assumed additional funding is a "reasonable case" overspend of £0.17m with a "worse case" of £9.00m.

- 3.3 Note that the combined revenue forecast for both Covid-19 and non Covid-19 pressures is an overspend of c£0.59m based on the “reasonable case” and £9.47m in the “worse case”.
- 3.4 Note the revised financial assumptions and projections within the draft revenue budget, the uncertainty around core funding, and that these assumptions will change as the budget progresses. The impact of this is a revised starting gap for 2021/22 of £33.66m, an increase of £12.60m since February 2020.
- 3.5 Refer draft revenue policy proposals for 2021/22 as set out in this report and appendix 3 for stakeholder consultation (where required), and for equality impact assessment, with feedback on these informing the final budget.
- 3.6 Endorse the operational savings for 2021/22 to 2022/23 set out in appendix 4 of this report, and instruct officers to implement these under officer delegations, subject to any required consultation, equality impact assessment, and any changes arising as a result of the latter two.
- 3.7 Note after taking into account the Proud savings identified to date, should all these policy and operational savings be subsequently included in the final budget report in February 2021, then there remains a revised gap of £12.32m to close to ensure a balanced budget and as such, further saving proposals will to be presented to Cabinet on 9 December 2020.
- 3.8 Refer this report to Scrutiny Overview Committee on 1 December 2020, to enable the Committee’s comments to be considered by Cabinet. All Scrutiny Committees will also receive proposals relating to the individual remit of each Committee.
- 3.9 Note that the medium term financial outlook position assumes an increase in council tax of 1.99% in 2021/22 and future years, the assumed level of “reasonableness” in respect of referendum principles, and that any changes to those principles, as set by the Secretary of State, may change the overall budget.
- 3.10 Note that the level of contingency funds and general reserves will need to be in line with the levels set out within the Council’s MTFS, the final level to be based on a detailed risk assessment, which will be reported to Cabinet in February 2021.
- 3.11 Approve the write off of debt as detailed in section 4.26.
- 3.12 Approve the amendments to the 2020/21 capital programme as set out in section 4.27.

4. Know- Context

Key Timeline

- 4.1 The budget setting timetable of key reporting dates, following publication of this report, is as follows:
- Stakeholder consultation commencing 29 October, including employee and trade union consultation.
 - Scrutiny Committees receive the draft revenue budget proposals from 3 November with feedback to Cabinet on 9 December 2020.

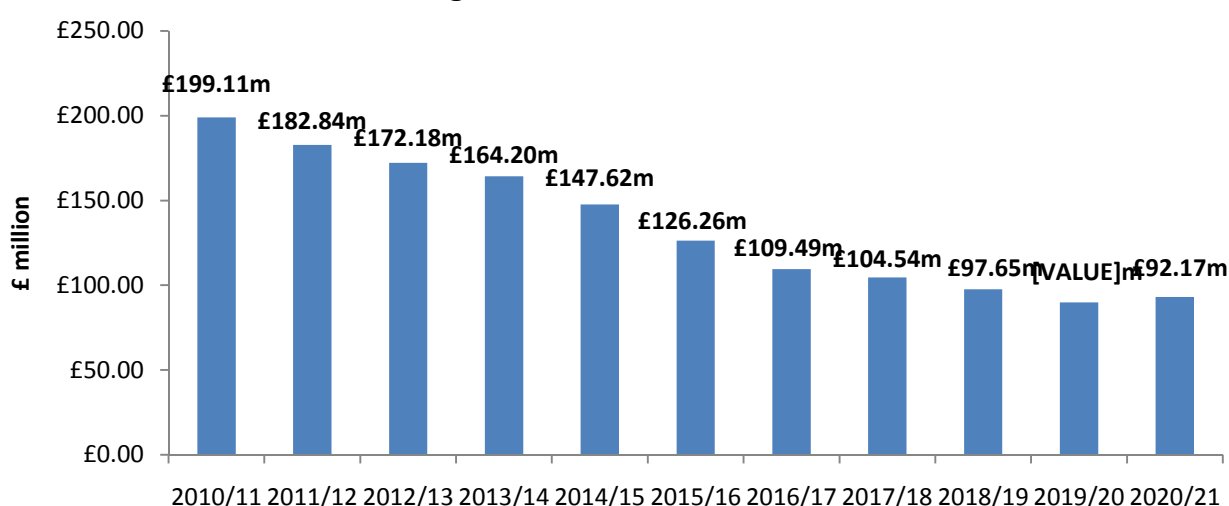
- Cabinet on 9 December 2020 - updated draft revenue budget, further saving proposals for 2021/22, analysis of the Spending Review/Round 2020 and, if available, the draft core grant Settlement from Government.
- Scrutiny Committees receive the further budget proposals for comment, along with draft capital programme proposals.
- Statutory consultation for business rates payers to January 2021.
- Budget briefings for political groups and independent members, as required.
- Council tax base to be approved by the s151 Officer by January 2021.
- Receipt of the final settlement late January / early February 2021.
- Recommendation of the final budget by Cabinet on 10 February 2021.
- Council set the final budget envelope (statutory determinations) and council tax on 25 February 2021.

Walsall's Financial Context

Government central funding and business rate retention

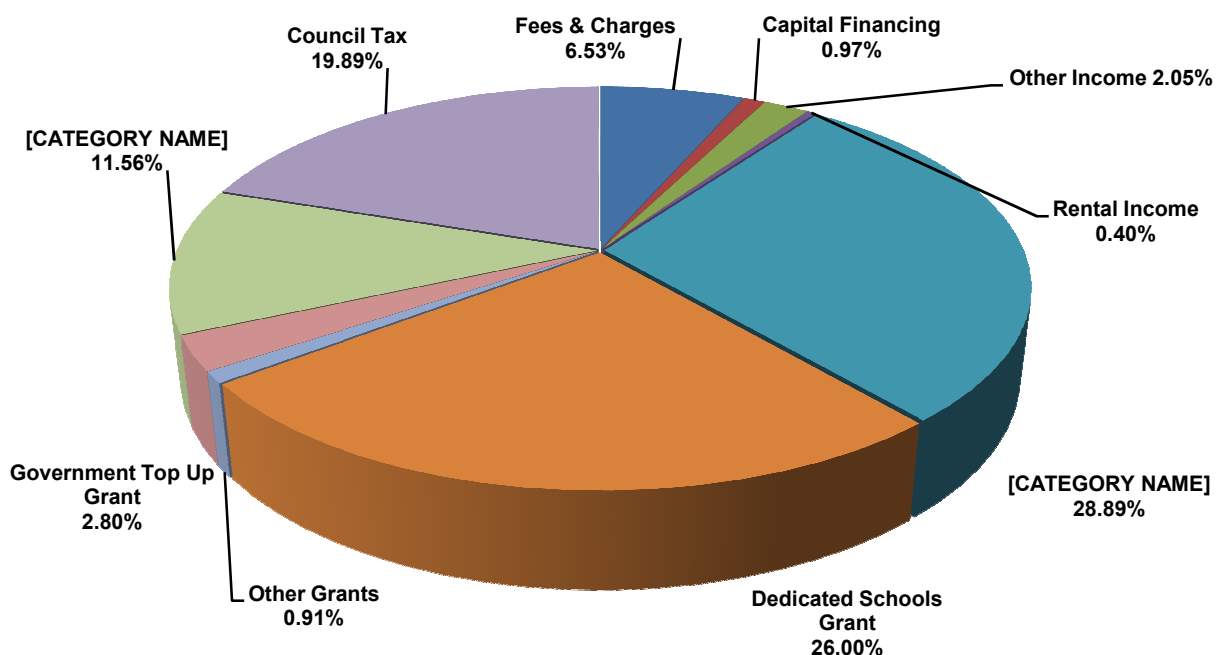
- 4.2 Like all other public sector bodies, Walsall has seen government grant funding reduce since the Emergency Budget of 2010 when the Government set out its initial plans to reduce the overall Government deficit. This has continued in successive government Spending Reviews until 2020/21 when the one year Spending confirmed that no government department would see a cut to its budget with all being increased by at least inflation for that year. We await confirmation of the Spending Review/Round for 2021/22 which is expected later in 2020.
- 4.3 Government austerity measures have meant our direct funding has reduced considerably from 2010, with a loss of core revenue funding (revenue support grant, top up grant and business rates, net of rolled in grants) of c£107m to 2020/21. There remains considerable uncertainty in government funding going forward from 2021/22 as no announcements have yet been made.

Core Funding 2010/11 to 2020/21



- 4.4 Walsall receives much (c70%) of its c£641m of funding for 2020/21 from central Government, including the core Funding Settlement - 15% (a combination of local business rates retention through 100% business rates pilot within the West Midlands, and top up grant direct from Government), core Schools Grant - 26% (dedicated schools grant/DSG which is passported direct to schools) and Government grants for specific services - 29% (Housing Benefit, Public Health, Better Care Fund etc). Income is summarised in the following pie chart.

Sources of Funding:

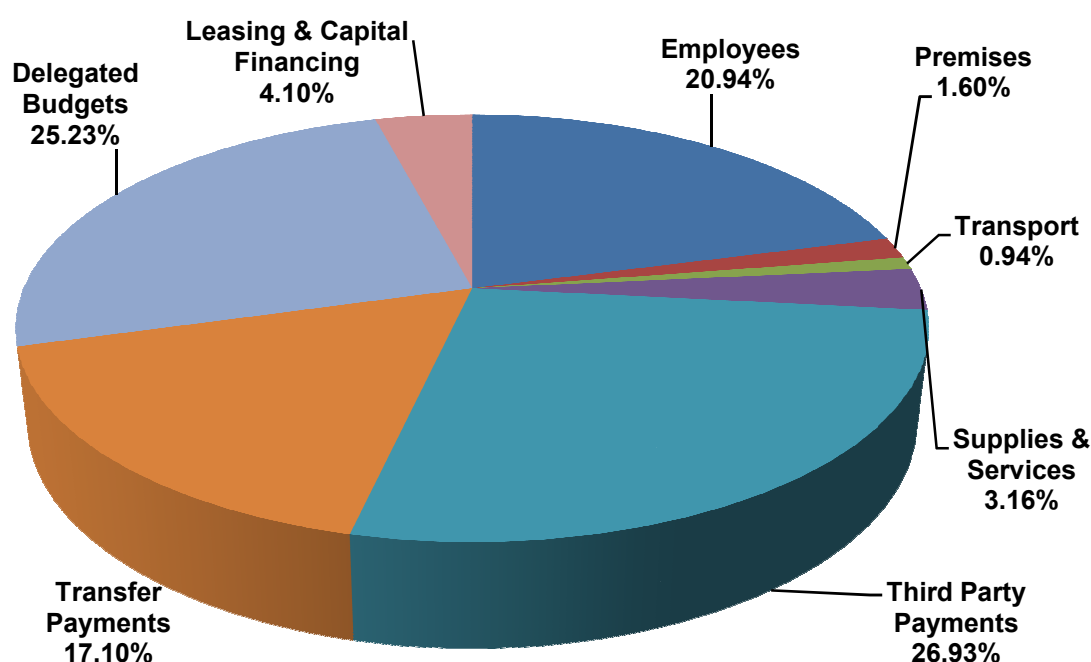


- 4.5 By 2020/21 local government was expected to become fully self-funding, with core revenue support grant ceasing and the introduction of 100% localisation of business rate retention (BRR), as opposed to the current 49%. The review of the business rates system was delayed to 2021/22 due to Brexit however since Covid-19 this has been further delayed with no introduction dates confirmed as yet. Initial expectations were a move to 75% and the Government advised that national increases in growth in rate yields would fully offset the reduction in core funding. The reality is that many deprived councils, such as Walsall, due to its relative need and business rate yield, will be unable to fully cover this funding shortfall.
- 4.6 From 2017/18, Walsall has been part of the West Midlands Combined Authority (WMCA) 100% business rate retention (BRR) pilot. Government agreed that this would be at 'no detriment' to participating authorities; however, there remains some uncertainty as to the future final impact of national policy in respect of BRR. Walsall assumes we will continue with 100% business pilot for 2021/22 onwards at this point in time until we have any further direction.
- 4.7 Government set Walsall a baseline figure under the business rates retention scheme of £92.60m for 2020/21 which is made up of the business rates local share and top up grant. They also set a safety net threshold. The safety net threshold for the West Midlands Pilot was set at 97%. Any safety net payment due as a result of these calculations will be paid via a section 31 grant.

- 4.8 The final settlement for 2020/21 was announced on 24 February 2020. The future financial environment continues to be challenging for Councils for 2021/22 and beyond, with significant uncertainties in relation to the level of and even existence of some grants, such as public health, better care fund, etc. A full multi-year Comprehensive Spending Review was initially delayed until late 2020, a year later than planned due to the delay in Brexit negotiations, to cover the period from 2021/22. However, due to Covid-19 and the cancelled Autumn 2020 budget, it is expected that a one year Spending Round is likely to be announced for 2021/22.
- 4.9 The Council's second largest source of funding is council tax (c19.9% of the Council's gross spend is funded from council tax), which continues to be subject to Government restrictions on the amount that can be raised from this income stream, previously through 'capping', and now through the referendum principles. The budget currently assumes council tax increases of 1.99% over the next three years, with an additional 2% in 2020/21 for Adult Social Care activity, in line with current referendum principles.
- 4.10 Additionally, as part of BRR, the Government is consulting on transferring additional responsibilities to local authorities. This could lead to further pressures if these are not fully funded.
- 4.11 Alongside reductions in funding, the Council also faces increasing cost pressures, due to both increasing demand (for example, as a result of welfare reforms reducing individuals disposable incomes further, larger numbers of older people requiring support to remain independent, etc) and new burdens imposed by Government, but without the corresponding full funding given.

In relation to how this funding is spent, the following pie chart provides further detail.

Spend by Type of Expenditure



Notes

- *Transfer payments include expenditure such as housing benefits, rent allowances and social services direct payments – for example payments for which no goods or services are received in return by the local authority.*

- *Delegated budgets include budgets for schools, community associations and allotments.*
- *Third Party Payments include payments to external contractors.*

4.12 In summary the main areas of uncertainty and pressure are:

- The existing and future unknown ongoing impact of Covid-19, including ongoing cost pressures and reductions in income as a result of a reduced take up of Council services. The knock on impact of Covid-19 also includes delays in delivery of approved 2020/21 Proud savings of £8.6m, which are now expected to be fully implemented in 2021/22;
- Continued reductions in core government grant funding, for example:
 - Impact of full business rate retention (BRR) as part of the West Midlands pilot, and changes to the Government's intention to move to 75% retention for all non-pilots;
 - Impact of the Government's next Spending Review/Round during 2020, and the impending 'Fair funding' review of council services, to include the setting of new baseline funding allocations;
 - Public Health grant – this was expected to be transferred fully into BRR from 2020/21, and become un-ringfenced, but no further guidance has been issued. There is limited intelligence as to how this will impact, and we expect that this will be addressed as part of the next spending review. Once subsumed into BRR, a significant chunk of this could be lost in future funding reviews;
 - Continuation or otherwise of other specific grants e.g. improved better care fund, social care, troubled families, etc;
- Increases in demand:
 - From an ageing population putting strain on local authority systems both in financial and operational terms. For example, adult social care packages and placements costs have risen by £15.87m from £56.21m in 2010/11 to £72.08m in 2020/21;
 - For looked after children, and the associated impact on numbers of social workers, and costs required to support these children. There were 619 in March 2015, compared to 693 in August 2020;
- Government reliance on individual council's ability to raise income through council tax increases, rather than providing national ongoing funding to support social care pressures, etc;
- Welfare reform, including universal credit;
- Increased corporate costs, including costs in relation to pay and pensions.

4.13 Since the Emergency Budget 2010, the Council has reduced its spending by £201m, £107m from a reduction in Government grant and £94m from cost pressures. In considering future resource allocation, funding for the development of services will need to be met from the redirection of existing resources, reducing existing spend and the identification of new or revised income sources. The Council will need to do things differently and do different things, and in some case stop doing things that are not in line with corporate priorities.

2020/21 Corporate Financial Performance - Update

4.14 The 2020/21 budget was approved by Council on 27 February 2020, and is monitored and reported on throughout the year to address key risks and pressures as they arise. Cabinet receives regular financial reports to allow it to oversee the financial performance of the council, receiving updates in May, July and September on the position. Table 1 provides a summary of the latest forecast in relation to both Covid-19 and non Covid-19 pressures, the current Government funding

available to support unringfenced Covid-19 pressures, and the resulting unfunded shortfall. The table shows a range, given the current uncertainty in forecasting impact. The 'reasonable' case scenario is considered to be manageable, however there are a number of potential cost pressures which are currently uncertain as to whether they will arise, and if they do so, the level of costs which may be incurred. Additionally there are likely to be 'unknowns' however the 'worse case scenario' is considered to be based on a prudent basis, using current intelligence, local and national guidance and horizon scanning for risk. Government has recently announced a further £1bn of funding to be made available however the allocation methodology and therefore Walsall's share of this is not yet known.

Table 1: Full Year 2020/21 Financial Summary	Reasonable Case £	Reasonable Worse Case £
<i>Total Covid-19 estimated pressures to date</i>	23,333,130	34,163,396
<i>Unringfenced Government allocation less 2019/20 Covid-19 costs of £268,942</i>	-20,152,311	-20,152,311
<i>Additional estimated grant for loss of income</i>	-3,010,993	-4,961,720
<i>Net Unfunded Covid-19 Shortfall</i>	169,826	9,049,365
<i>Non Covid-19 Service Pressures at August 2020</i>	420,000	420,000
<i>Total Unfunded Pressures to Manage</i>	589,826	9,469,365

- 4.15 The above represents a net reduction of c£3.5m to the reasonable case reported to Cabinet on 9 September 2020, £1.4m relating to non Covid-19 pressures as actions to address these are now seeing some success; and £2.1m in relation to Covid-19 cost pressures and income losses. The potential worse case has reduced by c£13.3m, with £1.4m relating to non Covid-19 as above and £11.9m as a result of more data and intelligence being available to amend our sensitivity modelling, forecasts and risk profile.

Non-Covid-19 Pressures

- 4.16 The current council wide forecast in relation to service performance *excluding* Covid-19 pressures is a variance against budget of £0.42m as at August 2020. Table 2 shows the forecast position by Directorate.

Table 2: Forecast revenue analysis 2020/21 by Directorate as at August 2020 – <u>non Covid-19</u>			
Directorate	Net Budget £m	Year end forecast £m	Variance to Budget (Under) / Over £m
Children's Services	66.13	66.13	0.00
Economy, Environment & Communities	38.05	38.59	0.54
Resources & Transformation	26.92	27.21	0.29
Adult Social Care	63.56	63.15	(0.41)
Services Position	194.66	195.08	0.42
Capital Financing	17.70	17.70	0.00
Central budgets	(84.79)	(84.79)	0.00

Total council tax requirement	127.57	127.99	0.42
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- 4.17 A number of significant risks and pressures have emerged during 2020/21 that have required action to be taken to limit the Council's exposure. These are being managed via a combination of one-off actions (use of earmarked reserves, use of one-off grant) and ongoing actions (review of existing budgets and realignments where feasible). The main pressures within services have been reported previously and an update of the main variances in each Directorate is detailed below. Work continues to mitigate these areas of pressure by year-end. Any on-going pressures which are not able to be addressed in year are considered as part of the 2021/22 budget process.

Adult Social Care - (£0.41m)

- £1.29m – procure to pay saving carried forward from 2019/20. Work to identify mitigating actions including a review of existing provider payments is underway;
- (£1.93m)– care package underspend as a result of one off income to support hospital discharges, offset by additional care package costs.

Children's Services – Nil

Although the directorate is on budget, the following pressures and mitigating actions have arisen:

- £0.54m - home to school transport pressure, £0.67m primarily resulting from an increase in out of borough demand, (£0.12m) saving on route costs resulting from a reduction in the number of children currently being transported due to Covid-19;
- £0.13m due to an increase in the number / mix of young people placed in care. The current full year effect cost of current placements is £26.87m;
- £0.60m - £0.05m regional adoption agency, bad debts £0.25m, bank charges £0.04m, computer expenditure £0.15mk, repairs and general supplies £0.12m;
- (£0.21m) - under within Children's Social Care, primarily relating to staffing following successful recruitment drives resulting in less agency staff being used;
- (£0.60m) - individual actions to mitigate areas of pressure;
- (£0.52m) - surplus income due to recovery of rent overpayments.

Economy, Environment and Communities- £0.54m

- £0.37mk – income shortfalls - ongoing pressure due to non-achievement of planning (£0.38m) and active living (£0.18m) income (non Covid-19 related), offset by £0.19m of additional income in other services;
- £0.54m – senior management redesign and the costs of interim senior management support;
- (£0.34m) – mainly due vacant posts being held in services, underspend on supplies and services and underspend in the library book fund.

Resources and Transformation - £0.29m

- £0.40m - IFM – pressures within facilities managements and under recovery of income.

- (£0.09m) - ICT – vacant posts not expected to be recruited to in 2020/21 and reduction in click charges in relation to the photocopier contract.

Covid-19 Impact

- 4.18 Previous reports to Cabinet have identified significant cost pressures and loss of income as a direct result of Covid-19 and these are accounted for within the outturn forecasts within this report. The 2020/21 budget was also predicated on delivery of £8.77m from the Proud Programme from the adoption of new ways of working across the Council, significantly enhancing our enabling technology capabilities, and improving our service efficiency and performance. Planned activities within the Walsall Proud Programme (WPP) have been reviewed in order to determine those activities which can continue and those which should be delayed as the Council responds to the Covid-19 situation.
- 4.19 As part of this review, an assessment of the financial impact has also been undertaken in relation to those work streams due to deliver savings in 2020/21 alone. The current assessment is that up to £8.6m of savings will now be delivered in 2021/22. This is in the main due to: a refocus of programme resource into managing the Council's Covid-19 response; an inability to generate fee and charge increases due to facility closures and a reduced client base on reopening some services; and an inability to commence consultation on a number of organisational redesigns. The delay is factored into the revised £33.66m gap for 2021/22, however, progress is now being made in a number of work streams, where employee consultations are due to start shortly;
- Customer Access Management –Customer Contact Centre
 - Enabling Support Services – Administration and Business function
 - Outcomes – Resilient Communities

Additionally, action is currently being taken to further accelerate work stream priorities to seek to start delivering cashable savings in 2020/21, which will contribute to the £33.66m gap.

- 4.20 Table 3 summarises the financial impact of continued income losses and additional Covid-19 costs for the rest of the financial year 2020/21, prior to taking into account Government Covid-19 funding received, based on a number of assumptions, with a 'reasonable' case impact being in the region of c£23m and a worse case being c£34m, prior to receipt of the income loss grant.

Table 3: Covid-19 pressures	Reasonable Case £	Worse Case £
Loss of income due to service closures / changes - services covered by income grant	4,030,316	6,631,286
Loss of income - other service closures / changes	167,153	394,086
Loss of income - bad debt provision	1,532,000	1,532,000
Loss of income - dividends and investment returns	1,179,600	1,179,600
Cabinet, Gold and Silver approvals for additional cost pressures	3,542,164	3,542,164

Forecast additional costs - subject to Gold / Cabinet approval	6,120,631	5,120,631
Additional costs arising from Covid-19 delay in the achievement of 2020/21 approved savings	6,761,267	6,637,720
Risks	0	9,125,909
Total pressures to date	23,333,130	34,163,396

- 4.21 At Budget March 2020 the Chancellor announced a Covid-19 response grant to fund local authority actions to support social care services and vulnerable people; alongside the need for the NHS to treat Coronavirus patients including maintaining staffing levels; and funding to ensure other public services are prepared and protected. For Walsall, the total allocation is £20.42m which is referred to in table 1 above. Further ringfenced and unringfenced grants have been announced, with Walsall's total allocations to date of £40.08m as referred to in Appendix 1.
- 4.22 Cabinet will be aware that a new scheme was announced on 2 July 2020 to reimburse lost income during the pandemic. Where losses are more than 5% of a council's planned income from sales, fees and charges, the government will cover 75p in every pound lost. The first claim has now been completed and submitted for the four month period April to July 2020 – a total claim of £1.27m, in line with our overall forecast. Based on current assumptions, we anticipate between c£3m to c£4.9m of current pressures on income could be recovered over the 12 month period of 2020/21 (as per table 1 above).
- 4.23 Current general reserves are in the region of £14m. The MTFs requires a minimum level of reserves is maintained at all times – this being set at £6m; however, given uncertainty concerning future funding and the Covid-19 situation, it is proposed to outturn 2020/21 with our reserves fully intact. Actions continue to be taken to ensure that at least this level is maintained as this avoids having to take even further action to replenish reserves as part of the 2021/22 budget setting process, putting further pressure on Council services. Should the Council outturn in line with the "reasonable case" forecast, then the Council is in a good position to outturn without use of its general reserves. However, given the current level of uncertainty and introduction of new 3 tier regulations, it is far from uncertain that this will be the case.
- 4.24 The final level of reserves recommendation in respect of 2021/22 will be reported to Cabinet and Council in February 2021, and will be subject to a comprehensive risk assessment of the robustness of budget estimates and an overall assessment of the level of current and future risk facing the organisation.
- 4.25 A number of Covid-19 related pressures are estimated to be ongoing into 2021/22, along with some continuation of income losses, and best professional estimates have been made which have been incorporated into the draft list of investments at Appendix 2.

Write off of debt

- 4.26 The following write off (as it is above £10,000) requires the approval of Cabinet;
- £12,838.40 relating to short and long stay client contribution dated September 2019. This debt is recommended for write off at the request of Adult Social Care due to no recourse by the client to repay the funds owed.

Capital Programme 2020/21

- 4.27 The capital programme for 2020/21, as reported to Cabinet on 15 July 2020 was £186.44m. Table 4 summarises amendments made to date, resulting in a revised programme of £187.82m. Cabinet are requested to approve these amendments.

Table 4: Amendments to Capital Programme 2020/21	
Project	£m
Capital programme 2020/21 per Cabinet 15 July 2020	186.44
Council Funded	
2 year old provision*	0.24
Resurfacing of Church Road Car Park*	0.05
One Source	0.26
Replacement of two Partisol Units*	0.06
Externally Funded	
Devolved Formula Capital	0.03
Capital Maintenance	0.74
Revised capital programme 2020/21	187.82

* funded via a revenue contribution to capital

Table 5 summarises the 2020/21 capital programme and forecast outturn after the re-phasing of projects into 2021/22.

Table 5: Forecast capital analysis 2020/21					
Directorate	Budget £m	Predicted year end forecast £m	Variance before Carry forward £m	Carry Forward £m	Variance Over / (Under) £m
Council funded	51.27	34.91	(16.36)	16.44	0.08
Externally funded	136.55	85.61	(50.94)	50.94	0.00
Total	187.82	120.52	(67.30)	67.38	0.08

The above overspend relates to Oak Park Car Park, which is currently being reviewed by Economy, Environment and Communities to determine an appropriate funding route. The Council funded element of the capital programme currently shows predicted re-phasing of £16.44m from 2020/21 to 2021/22 as shown in table 6. Re-phasing occurs for a number of reasons such as late confirmation of grant approvals, timing of projects that may fall over more than one financial year, contract delays out of our control as awaiting funding or Government approval, etc.

Table 6: Re-phasing of Council funded schemes 2020/21 to 2021/22	
Project	£m
Civic centre heating	1.15
Council house smoke & heat detection fire alarm	0.33
Council house general heating	1.09
New homes bonus	0.06
Regenerating Walsall	0.18
Town and district centres public realm	0.77
Walsall market	0.04
Town centre masterplan	0.25
Broadway west playing fields (council)	0.09
St Peter church repairs to surrounding wall	0.03

Enterprise zones	3.89
Essential Microsoft upgrades & foundation for office 365	0.06
ICT-safe and secure environment	1.22
Proud - ICT	0.07
Enabling technology	6.77
Telephony cloud based system	0.44
Total	16.44

Draft Revenue Budget 2021/22 to 2023/24

Budget Framework

- 4.28 Cabinet on 15 July 2020 approved the budget framework for 2020/21 to 2023/24. The budget framework is intended to:
- Provide a framework to ensure successful delivery of the council's corporate vision and priorities.
 - Maintain a financially sustainable position over the 4-year planning period and set a legally balanced 2020/21 budget.
 - Allocate limited and reducing resources to those activities that contribute most to improved outcomes.
 - Continue the focus on the need to deliver ongoing efficiency savings.
- 4.29 The budget process approach adopted from 2020/21 onwards focuses on transformation through delivery of the Walsall Proud Programme, with 3 key benefits: Improve outcomes and customer experience, Improve employee satisfaction and engagement, and Improve service efficiency and performance. It is expected that the financial savings delivered through the latter benefit will meet the budget gap.

Medium Term Financial Outlook and Revisions to Assumptions

- 4.30 Following national and local changes since the 2019/20 to 2022/23 budget was set in February 2020, the four year forecast has been rolled forward (with 2023/24 added), reviewed and updated. 2021/22 has been reviewed and adjusted to reflect ongoing changes in council demand during the current year and updated projections of future demand, income projections and costs in the light of Covid-19. It has also been updated to reflect potentially significant changes in core and local funding in particular in relation to business rates and council tax. The resulting council tax requirement arising from funding and investment assumptions from 2021/22 to 2023/24 is shown in table 7.

Table 7: Council Tax requirement			
	2021/22 £m	2022/23 £m	2023/24 £m
Council tax Requirement	127.57	129.09	132.58
Cost Pressures:			
Growth / Investment (Appendix 1)	17.73	12.15	10.48
Pay changes – centrally held	(3.16)	5.32	6.82
Other savings to be identified – see movement in target in table 6 below	(33.66)	(19.43)	(13.62)
Other movements / funding changes:			
Other changes including grants / income	5.49	2.15	0.71

Fall out of one off investment	(1.00)	0.00	0.00
Core Funding changes	(1.79)	(1.93)	1.53
Collection fund (surplus) / deficit	0.80	3.96	1.04
Savings from 2020/21 delayed due to Covid-19	8.60	0.00	0.00
Covid-19 costs / income losses (Appendix 1)	5.76	0.35	(2.37)
Transfer to / (from) reserves	2.75	0.92	0.00
Revised Council Tax Requirement	129.09	132.58	136.17
Council Tax Increase	1.99%	1.99%	1.99%

- 4.31 Tables 8 and 9 summarise the movements in the MTFO, including changes to investments, resulting in a revised saving requirement (MTFO gap – table 8) and further detail is provided in the following sections on revised assumptions.

Table 8: Movement in Saving requirement / Gap				
	2021/22 £m	2022/23 £m	2023/24* £m	Total £m
Savings required per Council February 2020	21.08	17.30	15.79	54.17
Revised savings requirement as above	33.66	19.43	13.62	66.71
Variance – increase (decrease)	12.60	2.13	(2.17)	12.56

Table 9: Movement in savings requirement - detail				
	2021/22 £m	2022/23 £m	2023/24* £m	Total £m
Savings required per Council February 2020	21.08	17.30	15.79	54.17
Core funding changes	(3.20)	(3.500)	0.00	(6.70)
Collection fund (surplus) / deficit	(0.06)	3.96	1.04	4.94
Tax base changes	1.99	0.04	0.04	2.07
Pay changes	(3.00)	0.00	0.00	(3.00)
Additional growth identified (demand / inflation / new / income shortfall)	4.08	1.18	0.15	5.41
Investment no longer required	(2.41)	(0.03)	(0.03)	(2.47)
Covid-19 costs / income losses	6.26	0.35	(3.27)	3.34
Other changes including grants	0.32	0.13	(0.10)	0.35
Savings from 2020/21 delayed due to Covid-19	8.60	0.00	0.00	8.60
Savings to be identified	33.66	19.43	13.62	66.71

** 2023/24 has been added to rolling MTFO for first time and therefore was not included in the February budget report.*

Core funding changes– additional funding of £3.2m in 2021/22

Assumptions in the previous MTFO were that there would be a continued reduction in government funding for 2020/21 and 2022/23: these assumption have been changed to reflect an assumed flat lining of core grant – with funding being maintained at current levels.

Collection fund (surplus) / deficit– smoothing of impact of deficit in 2021/22, resulting in small change of £0.06m

The collection fund is accounted for separately to the revenue general fund and accounts for all income collected from council tax and business rates. In January of each financial year, an in-depth appraisal is undertaken to assess the estimated level of collection (as aggregated to include that relating to the current and previous years); the likely balance of the fund; and to advise the precepting authorities (Fire and Police) of their share of the council tax surplus/deficit to enable them to take this into account in their own budget calculations. The results of the assessment in January 2021 will be included in the final budget report to Cabinet on 10 February 2021. The draft budget includes:

- a) An increase of 1.99% in 2021/22 and the following two financial years to 2023/24 to remain within referendum limits (subject to consultation);
- b) No increases relating to the Adult Social Care Precept, as this time limited precept is assumed to have ended by 2021/22;
- c) A council tax collection rate of c97.8%;
- d) No change to the Council Tax Reduction Scheme.

Covid-19 has created a number of significant pressures within the collection fund, mainly as a result of the Council seeing a reduction in collection rates during 2020/21 compared to previous years, although overall collection rates are expected to be at the same levels seen previously but over a longer time period as households and businesses reconfigure their own financial positions.

Further uncertainty around the end of the Government Furlough scheme in October 2020 was expected to increase unemployment with further risks around the sustainability of businesses; however, the introduction of the Job Support Scheme may alleviate these pressures to a degree. If unemployment figures in the Borough were to rise it is expected that collection rates would reduce further and more households would seek support from the Council Tax Reduction Scheme (CTRS), and any businesses ceasing trading would have a similar impact on collection for business rates. At this point, there is too much uncertainty to provide a true picture of the likely position for 2021/22 and beyond, with a number of scenarios being modelled.

Also included is a reduction in business rates income due to expected changes in the Business rates multipliers which are increased based on the CPI rate as at September each year. Previously these were assumed as 2% for each year, but following the financial impact of Covid-19, this has reduced to c0.6% and is expected to remain as such for over the life of the current budget period.

The revised position on the collection fund is a deficit, this includes a one off surplus from 2019/20 council tax of £1.9m offset by deficits from business rates and council tax relating to 2020/21. The deficit is then spread over 3 years (2021/22 to 2023/24) in line with guidance issued by MHCLG, which has helped smooth the position and avoided an immediate need to increase the 2021/22 budget gap by a further £4.3m. The overall impact over the period is a reduction of £5m in total income. As stated above this could change significantly, once the Furlough Scheme and business rate grant system has ended.

Tax base changes— reduced income for 2021/22 of £2m

The council tax base is a calculation of the number of chargeable dwellings in the Borough. The number has reduced due to an increase in claimants eligible for the council tax reduction scheme, arising from the current financial climate caused in

the main by Covid-19. This has resulted in a forecasts reduction in income of c£2m for 2021/22.

Pay related changes– reduced cost for 2021/22 of £2m

A review of the current pension strain has been undertaken in light of the previous 3 year valuation and as a result, £3m has been released back to help smooth the overall budgetary position.

Additional Growth identified– increased costs for 2021/22 of £4m

Changes in projections of demand in relation to demographics, contractual inflation and income losses have been made for 2021/21, along with amendments to cover ongoing pressures not able to be mitigated in 2020/21:

- Demand for Adult Social £0.70m;
- Inflation and pressures within Economy, Environment and Communities £0.72m;
- Children's demand, inflation, attendance fines and regional adoption agency contributions £1.96m;
- Income shortfalls across all areas £0.69m;

Investment no longer required– reduced cost for 2021/22 of £2.4m

A review of the previous assumptions for growth, mainly in relation to adult social care, has allowed release of £2.4m of investment back for reinvestment elsewhere / to reduce the gap.

Covid-19- increased costs for 2021/22 of £6.6m

This is the on-going expected financial impact relating to Covid-19 and includes the continued loss of income from fees and charges and investment returns; a reduced client base for a number of services which are not expected to see a full return of clients over the next 12 months, such as art and events and active living centres. There are also forecast costs in relation to children's social care on-going costs of the impact of social distancing, protective equipment, etc. Due to the current level of unknowns, it is unclear whether this figure is sufficient to cover all eventual costs / income losses. As time moves forward in the budget process and more data and intelligence is available, these figures will be reviewed and amended as required.

Savings from 2020/21 delayed due to Covid-19– increase in gap of £8.6m

As set out in the section on Proud savings earlier in the report, it is currently forecast that up to £8.6m of savings will now need to be delivered in 2021/22 rather than 2020/21. This effectively increases the gap for 2021/22 by £8.6m (with the undelivered savings for 2020/21 being brought forward to 2021/22). A further update will be provided to Cabinet in December on the progress of these savings, as some traction is now being made in relation to some of these, with employee consultation starting on a number of organisational redesigns. Work is also in hand to accelerate a number, which will reduce the pressure on 2021/22.

4.32 Further to the changes in assumptions, the draft budget 2021/22 – 2023/24 includes provision for growth and investment of c£44m, as shown in Appendix 2. There is a

further £3.34m of pay and pension related investment to be allocated to services in 2021/22 once the pay award and pension valuation have been agreed. Primarily, growth covers:

1. *Provision for pay and pensions (corporate cost pressures) and contractual inflation:*
 - An annual 2% pay increase and provision for pay increments;
 - Impact of pension auto-enrolment and tri-annual employer pensions contributions based on the latest valuation information. Work is currently being undertaken by the pension fund to provide details for the next 3 years;
 - Provision for contractual increases, including the W2R contract;
 - No provision for general inflation – services are required to manage this within existing budgets.
2. *Demand and demographic changes within Services (demand led cost pressures):*
 - Increases in placements/costs for Looked after children;
 - Increased care packages/costs within Adult Social Care arising from an increased ageing population;
 - Management and inclusion of ongoing service pressures from the current year (2020/21).
3. *Other service based pressures:*
 - Funding of ongoing income shortfalls e.g. Active Living, Bereavement, Planning, licensing, Engineers etc;
 - Fall out of grant;
 - Provision for contractual inflation;
 - Shortfall in traded services income.
4. *Other central provisions:*
 - Review of capital financing, treasury debt and investment portfolio;
 - Revenue implications of capital programme;
 - Investment linked to Proud Programme transformation activity.

- 4.33 Assumptions will be kept under continual review and may change as the budget process progresses. Core funding will be updated on receipt of the draft and final Settlements and final allocations of specific grants.

MTFO Savings Requirements and Walsall Proud Programme

- 4.34 As set out in table 8 above, the changes in assumptions reflected in the updated MTFO has significantly increased the financial savings required to be delivered over the period 2021/22 to 2023/24, and in particular for 2021/22, resulting in a revised shortfall of c£66.71m as follows:

2021/22 - £33.66m
2022/23 - £19.43m
2023/24 - £13.62m

- 4.35 The Walsall Proud Programme (WPP) is the Council's transformation programme to transform the way the Council works; Achieve Improved Outcomes and Customer Experience; Improve Staff Satisfaction and Engagement; and Improve Service Efficiency and Performance. WPP is expected to deliver the required savings for 2021/22 and beyond – the extent of savings being dependent on the pace of

change and the level of ambition. The Proud Programme covers all council services and consists of nine key work streams. The high level financial opportunity (£) attached to each work stream is as follows, totalling £70.26m:

1. Outcomes, Service Levels and Delivery Models - £5.69m
2. Commissioning, Procurement & Contract Management (Third Party Spend) - £19.41m
3. Communication, Change and Culture & Behaviours – £ is nil as this is an enabler
4. Customer Access and Management - £17.44m
5. Designing the Ways of Working – Hubs and Enabling Support Services - £9.94m
6. Enabling Technology - £ is nil as this is an enabler
7. Income Generation & Cost Recovery - £15.45m
8. Connected Working (Perform+) - £2.33m
9. Corporate Landlord - £ is nil as this is an enabler

The impact of Covid-19

- 4.36 In March 2020, the Council along with the communities it serves, faced the Covid-19 crisis. As a provider of public services and in its civic leadership role, the Council quickly responded by re-prioritising services, responding to Government announcements, working in partnership and immediately redirecting resources to achieve the necessary crisis response.

As part of this response, the Council conducted a review of the Walsall Proud Programme in order to determine those activities which could continue and those which should be delayed whilst the Council responded to Covid-19 situation. This review focussed on the immediate 3 month period. The following criteria were used:

- **Care** - Employees and residents are already experiencing disruption to their lives and significant amounts of uncertainty. Therefore, we will not conduct activities which may add to this.
- **Manage disruption** - We will identify those activities which can continue over the coming months so that we can continue to progress towards delivering the Programme benefits where possible.
- **Working remotely** - Our teams will work remotely and use the technology available to collaborate on projects and deliver outputs. Exceptions to this will be managed and the impact on progress monitored.

- 4.37 Throughout the Covid-19 period, work continued on the Programme where possible. It was also possible to identify examples of changes in working practices which having taken place in response to Covid-19 which were in line with the aspirations of the Proud Programme, including introducing new ways of working, making the best use of technology, challenging existing processes and procedures, working in partnership and demonstrating the best of what our teams can achieve.

- 4.38 Gradually over the last 2 months activity within the Programme has restarted. This includes preparing for employee consultations; completing outstanding design work within the Enabling Support Services; continuing with procurement activities within the Enabling Technology work stream; commencing work on the Council's Estate Strategy and providing Connected Working tools and techniques to support teams. In parallel and complementary to the Resilient Communities STP, public consultation has begun on the Resilient Communities proposals, in conjunction with the residents survey, and engagement activities have commenced with partners. Both activities have been delayed due to lockdown restrictions and council priorities as a result of the coronavirus pandemic. Consultation with employees is due to commence this autumn. Whilst most operational resources have now returned to the Programme, capacity and aligned capability within the leadership cohort remains an issue. It is also likely that any significant second wave of Covid-19 will impact again the deliverability of the Programme at a most critical time.

Service Transformation Planning process

- 4.39 As part of the RESET process, the Council identified an opportunity to bring together the work of the Proud Programme and the work taking place in each directorate in response to Covid-19 and RESET. As part of the Outcomes, Service Levels and Delivery Models work stream, the Proud Programme has worked with services to establish a desired direction of travel for service delivery. Drawing on good practice and applying Walsall context, a number of common themes have been identified which will support the future delivery of Council services:
- Using effective marketing and communications to change behaviour.
 - Using local assets and empowering communities to deliver outcomes.
 - Partnering in an effective way where a Council-only response is not enough.
 - Providing one, clear, unified offer for Council-only delivered services

These themes will help transformation planning for the Council as a whole, in order to best deliver the Corporate Plan priorities and outcomes. In line with this, the Proud Programme has been supporting Directors to develop three-year Service Transformation Plans (STPs) to deliver both financial and non-financial benefits. Each Director was asked to prepare an STP identifying:

- The strategic direction of travel for their service(s)
 - How the service(s) would deliver against the 3 KPIs of the Proud Programme
 - How each service would use the new ways of working delivered by the Programme to deliver the 3 KPIs;
 - Savings to be delivered over 2020/21 to 2022/23.
- 4.40 Directors worked within a compressed timeframe to deliver their Service Transformation Plans, including Directors test and challenge sessions. It is this process which has enabled Directors to consider the practical application of the original Proud Programme business case within their individual area and as a result generate the budget options set out within this report.

Analysis is continuing to ensure that:

- The Council's Corporate Plan objectives and proposed Direction of Travel for each area has been considered;
- All future options for the application of new ways of working has been considered within each service transformation plan; and

- Further options for service transformation in future are clearly identified including opportunities to bring that activity forward.

4.41 This analysis is required as the Council seeks to address the budget position for 2021/22 and the years beyond. It also ensures that the Proud Programme business case (agreed in 2018) which sets out the benefits (including financial) to be delivered though investment in the programme can still be delivered. The Programme is now entering a critical period as it moves broadly from design and into implementation. For a period, the Council will be required to manage the implementation of service transformation plans whilst continuing to deliver new ways of working through the work streams, for example, implementation of the Customer Access and Management capability is underway at the same time as Director's will be seeking to use that capability as part of delivering their plans. This will put additional strain on resourcing throughout the organisation and will require a joined up approach to change management both internally and externally.

Summary of savings Identified through the Programme

4.42 The Proud service transformation plans have identified £37.63m of potential financial benefit. The table below provides a summary of these. Benefits / savings are classified into two categories:

1. Policy Proposals - which require an Executive decision to proceed, and which will be referred for public consultation and equality impact assessment prior to any decision being made to include these in Cabinet's final budget proposals. Policy proposals are shown on Appendix 3, and these total £1.6m over the three years.
2. Operational Proposals – savings which officers have delegations to implement; examples include restructures, back office savings, operational efficiencies. These are shown at Appendix 4, and total £36m over the three years.

Some proposals require investment to be support delivery, these total £3.17m and will only proceed if the saving proposals is included within Cabinet's final budget report in February, once consultation and equality impact assessment on proposals has concluded.

Summary of proposed benefits	2021/22	2022/23	2023/24	Total
	£	£	£	£
Operational benefits	(23,140,682)	(12,874,504)	0	(36,015,186)
Policy benefits – see table below	(1,225,741)	(393,040)	0	(1,618,781)
Total proposed benefits	(24,366,423)	(13,267,544)	0	(37,633,967)
Linked investment	3,023,699	150,490	0	3,174,189
Total net benefits	(21,342,724)	(13,117,054)	0	(34,459,778)
MTFO Gap	33,658,000	19,427,000	13,620,000	66,705,000

Additional savings to be identified	(12,315,276)	(6,309,946)	(13,620,000)	(32,245,222)
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- 4.43 The table above shows that for 2021/22, the benefits identified to date are not sufficient to close the gap, and therefore does not balance the budget for 2021/22. This is not unexpected at this point in the year, given the unprecedented and unforeseeable impact of Covid-19 and the scale of the financial challenge. Directors continue to work on identifying additional options for Members consideration through the STP process and a further report will be presented to Cabinet on 9 December 2020 outlining further options to balance the budget. A work stream review of the STP's is taking place to ensure that they maximise opportunities from the Proud ways of working and capabilities, and therefore capture the full benefits; to ensure they capture innovative thinking; and to challenge any opportunities to accelerate identified savings.

Council Corporate Plan priorities

- 4.44 Resource allocation is an annual cycle aiming to support delivery of council priorities within available resources. It aims to achieve this through the delivery of Proud new ways of working and capabilities; efficiencies; income reviews and service reviews and redesigns to redirect existing and reducing resources to areas of high council priority.
- 4.45 In order to meet the Council's purpose and vision, the Council will be focussing its' energy over the planning period on the following key Corporate Plan priorities, recognising that it must do so with decreased and decreasing resources and concentrating efforts on those most in need:
- **Economic growth** for all people, communities and businesses.
 - **People** have increased independence, improved health and can positively contribute to their communities.
 - **Internal Focus** – all council services are efficient and effective.
 - **Children** have the best possible start and are safe from harm, happy, healthy and learning well.
 - **Communities** are prospering and resilient with all housing needs met in safe and healthy places that build a strong sense of belonging and cohesion.

For 2020/21 these priorities are underpinned by 10 Outcomes that have been developed via extensive service collaboration, taking into account the most up to date needs assessment for the Borough.

- Creating an environment where business invests and everyone who wants a job can access one
- Education, training and skills enable people to fulfil their personal development
- People live a good quality of life and feel they belong

- People know what makes them healthy and they are encouraged to get support when they need it
- Internal Services deliver quality and adapt to meet the needs of customer facing services
- Services efficient and deliver value for money
- Children thrive emotionally, physically, mentally and feel they are achieving their potential
- Children grow up in connected communities and feel safe everywhere
- Housing meets all peoples needs
- People are proud of their vibrant town, districts and communities

4.46 The financial constraints the Council must operate within means that, in the short term, difficult decisions have to be made, with reductions to some services that the council would otherwise wish to protect. The Proud Programme is designed to ensure that change is managed in a planned way, to achieve the council's key corporate objectives.

Risk management

4.47 The budget process is governed by the overarching medium term financial strategy and corporate plan. Risk management is an integral part of this activity and is embedded in budget preparation, monitoring and forecasting to enable potential budget variances and risks to be identified early and addressed.

4.48 There is still uncertainty around Government funding for 2021/22 and beyond due to the lack of Government allocations beyond this year and the uncertainty around changes arising from the Fair Funding and business rates retention scheme reviews. The MTFO continues to be regularly reviewed to ensure all significant changes are reflected.

4.49 There is a risk that funding will reduce more than anticipated or that further pressures will emerge, which will require the council to identify further savings prior to setting the budget in February 2021. As the need for savings increases, the Council's ability to protect services from being reduced or actually ceasing diminishes.

4.50 The budget is risk assessed and this is used to formulate the recommended level of contingencies and reserves. The outcome of this will be reported to Cabinet and Council in the final budget report.

Financial implications

4.51 The Council must set a balanced budget to meet its legal requirements. A four year plan provides for sounder financial planning and management of financial risk. As set out within this report there is considerable uncertainty and many 'unknowns' related to both Covid-19; continuing impact of existing costs and income losses; collection fund income rates; potential further requirements placed upon local government (Marshals, enforcement activity, test and trace, etc); and in relation to government funding for local services. The Council is likely to require further funding in both 2020/21 and 2021/22 to meet both existing and 'as yet unknown' pressures.

Legal implications

- 4.52 Under the Local Government Act, an authority must set a council tax and balanced budget, giving 14 days' notice of the council tax level prior to the date of billing. The Council must set a budget before 11 March of each year. This will include the S151 Officer's report that deals with the robustness of the budget and the adequacy of the reserves for which the budget provides, together with an assessment of risk.
- 4.53 The collection fund and council tax base are governed by Statutory Instrument 2012 No.2914 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. The council is legally obliged to set the council tax base and notify the precepting authorities by 31 January each year.

Procurement Implications / Social Value

- 4.54 None directly arising from this report. Any proposed changes arising from the Proud Programme will be considered alongside proposed changes to service provision.

Property implications

- 4.55 None directly arising from this report. Any proposed changes arising from the Proud Programme will be considered alongside proposed changes to service provision.

Health and Wellbeing implications

- 4.56 None directly arising from this report. Any proposed changes arising from the Proud Programme will be considered alongside proposed changes to service provision.

Staffing implications

- 4.57 There will be staffing implications arising from proposed changes to service provision, and consultation with employees and unions will be undertaken in accordance with legislative requirements and the Council's required procedures.
- 4.58 Staff affected will be supported as appropriate throughout the process and the number of compulsory redundancies will be minimised wherever possible.

Reducing inequalities

- 4.59 Reducing inequalities is the Council's vision as set out in the Corporate Plan. Assessing the impact of proposed organisational changes and changes to policies, procedures and services is a positive opportunity for the Council to ensure good decisions are made, based on robust evidence. It is clear that the decisions taken by individual services do not operate in isolation. Thus, when making policy, it is important not just to look at the potential impact of individual measures, but also to ensure that their interaction is properly understood and that the cumulative impact is taken into account. Understanding the cumulative impact on protected groups should be a pre-requisite of any policy making process.
- 4.60 Under the Public Sector Equality Duty an analysis of impact on equality must contain sufficient and suitable information to enable the Council to;
- demonstrate it has given 'due regard' to the aims of the equality duty in decision making

- consider ways of mitigating or avoiding any adverse impacts.

- 4.61 The Council uses an Equality Impact Assessment(EqIA) to check the lawfulness of Council decisions in relation to the impact on people with certain characteristics protected by the Equality Act 2010. An EqIA must contain relevant data and sufficient analysis to enable Members to understand the equality implications of a proposal and any alternative options before any decisions are arrived at.
- 4.62 Completing an EqIA provides a positive opportunity to ensure that the Council makes better decisions, based on robust evidence and will identify any anticipated impact on residents, service users and staff that fall within the protected characteristics as defined in the Equality Act. Equality impact assessments are undertaken on service and organisational change proposals as they develop and on the overall budget and any implications reported as they arise, to allow Cabinet to consider and make any revisions required.
- 4.63 Initial screening EqIAs have been carried out on options to indicate whether full EqIAs will be required. Full EqIAs identify the outcomes, and their potential impacts, and document the reasons for this decision. There are four possible outcomes:
- A. No major change required:
When no adverse impact is identified and all opportunities to promote equality have been taken
 - B. Adjustments are needed to adverse impact to better promote equality
 - C. Continue despite possible adverse impact:
Compelling reasons will be needed and mitigating actions may be required to minimise adverse impact
 - D. Stop and rethink the proposal:
When an EqIA shows actual or potential unlawful discrimination and needs to be reviewed immediately
- 4.64 If adjustments are needed or a potential adverse impact is identified, an action plan is developed to show how this will be mitigated or in exceptional circumstances, justified. EqIAs will be considered by Cabinet members, prior to any decision being made as to the final proposals to be included in the final Budget report to Council.

Consultation

- 4.65 Section 138 of the Local Government and Public involvement in Health Act 2007 places a general duty on every local authority in England to take such steps as it considers appropriate to secure that representatives of local persons (or of local persons of a particular description) are involved in the exercise of any of its functions, among other things by being consulted about the exercise of the function. The 2010 Equality Act, whilst not imposing a specific duty to consult, lays a requirement to have due regard to the equality impact when exercising its function.
- 4.66 Consultation is an integral part of the budget process and arrangements are in place to consult with a range of communities and stakeholders as appropriate (the public, councillors, business rate payers, voluntary and community organisations,

etc.). Consultation will be publicised and communicated widely via a range of methods and channels.

- 4.67 Consultation will be undertaken on policy related draft budget options as they develop from the Proud Programme and findings presented to Cabinet. Due to the coronavirus pandemic the majority of consultation will be conducted online. However in order to ensure that everyone who wants to have their say is able to, in line with our Public Sector Equality Duty (PSED), alternative formats and support to respond will be provided to those who request it. Findings along with equality impact assessments will be reported to Cabinet for their consideration and to inform Cabinet's final budget recommendations to Council in February 2021.
- 4.68 This report will be forwarded to Overview Scrutiny Committees for consultation purposes, to allow each Committee to comment on the budget proposals within their remit.

5. Decide

- 5.1 As set out in the legal section, Councils are required to set a legal budget. This report is the first stage in that process and Cabinet are asked to approve the recommendations as set out, to allow consultation to commence.

6. Respond

- 6.1 A further budget report will be presented to Cabinet on 9 December 2020 with an update on the revenue position following receipt of the final settlement and the draft capital programme. This report will also include any feedback from Overview Scrutiny.

7. Review

- 7.1 Formal reports In December and February will provide updates on the budget setting progress.

Summary of appendices:

- 1 Additional funding for Covid-19 for 2020/21
- 2 Summary of Growth 2021/22 – 2023/24
- 3 Summary of policy saving proposals 2020/22 – 2022/23
- 4 Summary of operational saving proposals 2020/22 – 2022/23

Background papers:

- Various financial and working papers.
- Corporate Budget Plan 2019/20 to 2022/23 and Treasury Management and Investment Strategy 2020/21 Onwards – Council 27 February 2020
- Budget Framework 2021/22 to 2023/24 - Cabinet 15 July 2020

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Deborah Hindson
Interim Executive Director(s151 Officer)

19 October 2020



Councillor M. Bird
Leader of the Council

19 October 2020

Appendix 1 - Additional Funding for Covid-19 for 2020/21

Funding source	National share £bn	Walsall share £
COVID-19 Response Fund – LA element (announced 19 March) confirmed and unringfenced	£1.6	9,609,338
COVID-19 Response Fund – LA element (announced 18 April) confirmed and unringfenced	£1.6	7,871,766
COVID-19 Support Package (announced 2 July) confirmed and unringfenced	£0.494	2,940,149
COVID-19 Support Package (announced 2 July) for Asylum seeking children unconfirmed and unringfenced	£0.006	TBC
Scheme to cover council's lost income (announced 2 July) unconfirmed and unringfenced First claim (April – July) submitted Sept 2020		1,272,672
COVID-19 Response Fund – NHS element (TBC)	£1.3	c7,500,000
Hardship Fund	£0.5	3,879,239
Local Authority Emergency Assistance for food & essential supplies (announced 10 June) confirmed and ringfenced	£0.063	420,523
Emergency fund for rough sleepers to self isolate (£3.2m)	£0.0032	4,501
Infection Control Fund – care home support (announced 15 May) confirmed and ringfenced	£0.6	2,288,564
Infection Control Fund 2 – care home support (announced 23 September) estimated and ringfenced	£0.5	1,907,137
Test and trace services (announced 22 May) confirmed and ringfenced	£0.3	1,650,559
Reopening High Streets Safely Fund (announced 24 May) confirmed and ringfenced	£0.05	253,601
New Burdens Funding (announced 29 May) confirmed and ringfenced (£0.45m)	£0.00045	2,152
Emergency Action Travel Fund (announced 29 May) confirmed and ringfenced	£0.2	255,000
Next Steps Accommodation Programme (interim accommodation & support) - Rough sleepers (announced 24 June) unconfirmed and ringfenced	£0.1	TBC
Next Steps Accommodation Programme (long term accommodation) - Rough sleepers (announced May 20) unconfirmed and ringfenced	£0.2	TBC
Home to school and other transport funding (announced 8 August) unconfirmed and ringfenced	£0.04	TBC
Wellbeing for Education funding (announced 12 August) confirmed and unringfenced	£0.008	40,416
Local authority compliance and enforcement grant (announced 8 October) confirmed and ringfenced	£0.030	184,093
Local Government new financial support (announced 12 October) unconfirmed and ringfenced	£1.000	TBC
Total to date, of which:		40,079,710
Walsall Council Funds		32,579,710
Grants to Businesses		53,554,000

Covid-19 Response Fund / Support Package - £20.42m

At Budget March 2020 the Chancellor announced a Covid-19 response grant to fund local authority actions to support social care services and vulnerable people; alongside the need for the NHS to treat Coronavirus patients including maintaining staffing levels; and funding to ensure other public services are prepared. A further support package was announced on 2 July 2020 to further support councils to address spending pressures in their local area.

Further guidance received on 17 July outlined that £6m of the £500m has been set aside to provide targeted support to a small number of councils in recognition of the acute cost pressures some are facing with regard to Unaccompanied Asylum Seeking Children. Walsall awaits further information as to whether we will receive any of this allocation.

Income compensation scheme for lost sales, fees and charges income - £1.27m

Grant for reimbursement of lost income - a new scheme announced on 2 July 2020 to reimburse lost income during the pandemic and boost cash flow. Where losses are more than 5% of a council's planned income from sales, fees and charges, the government will cover 75p in every pound lost. Further guidance was published on 24 August 2020 alongside the return. The return was submitted to MHCLG on 29 September 2020. The authority is expected to receive £1.27m for April to July 2020. Based on current assumptions, we anticipate between c£4m and £6.60m will be recovered for the year.

Hardship fund - £3.88m

£500m Hardship Fund for local authorities to support hardship in their local area. Although it is for each authority to make its own determination in respect of any hardship relief scheme the guidelines state that the government expects each local authority to reduce the council tax liability of each working age council tax claimant by £150, or to zero if the total liability is less than £150. Walsall has allocated £3.38m of this funding to reduce council tax liability for working age claimants as at September 2020.

Local Authority Emergency Assistance for food & essential supplies - £0.42m

Funding for councils in England of £63m was announced on 10 June. This is to help those who are struggling to afford food and other essentials due to Covid-19. The funding is a one-off contribution for the 2020/21 financial year. This funding has been used to fund food parcels, essential supplies, shielding and help to those with no recourse to public funds.

Emergency fund for rough sleepers to self-isolate - £0.004m

Rough sleepers, or those at risk of rough sleeping will be supported by £3.2m of initial emergency funding if they need to self-isolate to prevent the spread of coronavirus (COVID-19). The funding will be available to all local authorities in England and will reimburse them for the cost of providing accommodation and services to those sleeping on the streets to help them successfully self-isolate.

Rough sleepers £0.002m

MHCLG announced on 24 June to support rough sleepers and those at risk of homelessness into tenancies of their own, including help with deposits for accommodation, and securing thousands of alternative rooms already available and ready for use, such as student accommodation.

Infection Control Fund £2.29m

Funding announced by Department of Health and Social Care. 75% of initial funding has been passed directly to care homes for use on infection control, the remaining 25% is also be used for infection control but LA's can allocate based on need. Local authorities should also publish on their websites their rate uplifts and other extra funding they are making available to care providers e.g. cash flow support etc.

The Health Secretary announced an extension to the infection control fund on 17 September. A further £500m of funding will be made available but no individual authority allocations have been received. Using the same methodology as the first tranche of funding Walsall would receive a further £1.91m.

Test and Trace -£1.65m

On 22 May the Government announced £300m additional funding for local authorities to support them to develop and action their plans to reduce the spread of the virus in their area as part of the launch of the wider NHS Test and Trace Service. This funding is to enable local authorities to develop and implement tailored local Covid-19 outbreak plans through for example funding the recruitment of additional staff where required. Cabinet on 17 June delegated authority to the Director of Public Health to manage this as part of the Walsall Outbreak Plan.

Re-opening of high streets safely – £0.25m

On 24 May the government announced a Reopening High Streets Safely Fund. This will provide £50m of funding for English local authorities to prepare for the reopening of non-essential retail. This funding is intended to support a range of practical safety measures including new signs, street markings and temporary barriers. Local authorities will also be able to use this money to develop local marketing campaigns to explain the changes to the public and reassure them that their high streets and other commercial areas are safe.

Emergency Action Travel Fund - £0.26m

On Friday 29 May the government issued allocations for local authorities of the Emergency Active Travel Fund across England - £17.23m to be allocated to West Midlands Combined Authority (£3.45m in tranche 1 and £13.79m in tranche 2). TfWM announced on 26 June that the West Midlands were successful in their application for Tranche 1, with an allocation of £3.85m being granted from DfT for our ambitious emergency active travel programme. The funding is being used on a wide range of rapid schemes, including pop-up cycle lanes and pavement widening, as well as on activation and communication

activities. Walsall's element was confirmed in a funding offer letter on 7 July 2020.

Next Steps Accommodation Programme (rough sleepers support - TBC

£105m announced by MHCLG on 24 June to ensure interim accommodation and support continues for those who need it and can be used to help people move into the private rented sector, extend or secure alternative interim accommodation or where possible help people to reconnect with friends or family.

The programme also makes funding available for additional long term accommodation. In May, the Secretary of State announced £161m for 2020/21 (as part of an overall £433m for the lifetime of this parliament) to deliver 3,300 units of longer-term, move-on accommodation. The Fund is open to bids from local authorities by Thursday 20 August, and we await confirmation.

Home to school and other transport funding - TBC

On 8 August, the Department for Education and the Department for Transport announced £40m funding for transport authorities (West Midlands Combined Authority for Walsall) to provide new dedicated school and college transport in the Autumn term. This will provide an alternative to public transport, supporting the government's policy for children and young people to return to full time education in September whilst allowing for social distancing measures. Detailed guidance will follow to authorities, along with allocations made on the basis of numbers of children and young people in the area and how far they have to travel. Local authorities will also be asked to work with providers to support 16-19 year olds.

Wellbeing for Education funding - £0.04m

On 12 August, the Department for Education announced £8m of grant to support the Wellbeing for Education Return project which seeks to better equip education settings to support pupils and students' wellbeing and psychosocial recovery as they return to full-time education this autumn. Walsall's allocation is £0.04m, based on the number of state-funded education settings in their local authority area.

The Department's anticipate that local authorities use the funding provided to:

- Adapt the Wellbeing for Education Return training package, which will be shared with local authorities in September, to include local context and information about local services.
- Make accessible, and deliver, the adapted Wellbeing for Education Return training package to all state-funded education settings in their area in the first half of autumn term 2020.
- Provide ongoing support to all state-funded settings in their area, on promoting and supporting mental health and wellbeing over the next 6 months.

Local authority compliance and enforcement grant - £0.18m

On 25 September, as part of the Winter Economy Plan, the Chancellor announced £60m funding for enforcement and compliance including Covid marshals. This followed the latest regulations which require councils to enforce the requirements for businesses in respect of Test and Trace.

On 8 October, the equal split of this funding between police and local authorities, £30m each, was announced. The funding is ringfenced for the purpose of compliance and enforcement of measures to control the spread of COVID-19. Activities include support to encourage and aid compliance for the public and businesses, to aid awareness and understanding of the regulations, and other activities associated with enforcement (e.g. issuing prohibition notices, fixed penalty notices, or bringing legal proceedings).

Local Government new financial support – TBC

The Prime Minister on 12 October announced that they would provide local authorities across England with around £1bn of new financial support. For very high areas, further financial support for local test and trace, and local enforcement and assistance from the armed forces – not for enforcement but rather to support local services, if desired in the local area. No allocations have been announced and is not clear if Walsall will receive any of this additional funding.

Business rates grants - £53.55m

A cash injection of £10k to businesses that are currently eligible for small business rates relief and grants of up to £25k to retail and leisure business operating in premises with a rateable value between £15k to £51k. The Council has received a grant of £53.55m. The Government has also stated that it recognises that implementing this new measure will place some additional burden on billing authorities and confirms that it will provide New Burdens funding for this, however the mechanism for this has not yet been published. Walsall has currently allocated £46.45m in business rates grants. Any remaining balance will need to be repaid back to MHCLG.

Appendix 2 - Summary of Investments / Cost Pressures 2021/22 – 2023/24 included within the MTFO by Outcome

Portfolio	Ref No	Details of Growth by outcome	2021/22	2022/23	2023/24
			£	£	£
People live a good quality of life and feel they belong					
Adult Social Care	1	Additional Social Care demand / cost pressures	2,481,026	3,805,000	4,000,000
	2	Better Care Funding iBCF2 grant – including fall out of grant in 2021/22	2,023,652	0	0
Deputy Leader and Regeneration	3	Reduction in Council Tax administration grant	39,038	0	0
	4	Reduction in Housing Benefit administration grant	57,190	0	0
Deputy Leader & Resilient Communities	5	Resilient Communities - Unfunded Head of Service posts	523,000	0	0
	6	Taxi licensing – shortfall in income	52,000	0	0
	7	Licensing – shortfall in income	51,000	0	0
	8	Bereavement Services – shortfall in income	114,000	0	0
Total People live a good quality of life and feel they belong			5,340,906	3,805,000	4,000,000
People know what makes them healthy and are encouraged to get support when they need it					
Deputy Leader & Resilient Communities	9	Active Living - shortfall in income	188,155	0	0
Total People know what makes them healthy and are encouraged to get support when they need it			188,155	0	0
Children grow up in connected communities and feel safe everywhere					
Children's	10	Additional Looked after Children demand / cost pressures	2,948,000	3,454,000	2,559,000
	11	Troubled Families	542,000	0	0
	12	Ongoing staffing resource for Children's Commissioning and Placements function to support Looked After Children controls/savings/placement	67,500	0	
	13	Taxis for children in care	100,000	0	0
	14	Legal costs	150,000	0	0
	15	Foster care inflation	65,000	66,000	67,000
	16	Regional Adoption Agency	194,000	0	0
Total Children grow up in connected communities and feel safe everywhere			4,066,500	3,520,000	2,626,000
Children thrive emotionally, physically, mentally and feel they are achieving their potential					
Education & Skills	17	Home to school transport	1,422,000	648,000	515,000

	18	Educational psychologists	-100,000	0	0
	19	Removal of revenue target for attendance fines	77,000	0	0
Total Children thrive emotionally, physically, mentally and feel they are achieving their potential			1,399,000	648,000	515,000
Portfolio	Ref No	Details of Growth by outcome	2021/22 £	2022/23 £	2023/24 £
People are proud of their vibrant town, districts and communities					
Clean & Green	20	Economy and Environment contractual inflation	339,000	240,000	240,000
	21	Fall out of leasing recharge for extended vehicles	35,019	0	0
Deputy Leader & Resilient Communities	22	Unauthorised encampment works	100,000	0	0
Deputy Leader & Regeneration	23	Engineering / rights of way – shortfall in income	10,000	0	0
	24	Emergency Planning – shortfall in income	30,000	0	0
Total People are proud of their vibrant town, districts and communities			514,019	240,000	240,000
Internal Services deliver quality and adapt to meet the needs of customer facing services					
Personnel & Business Support	25	Human Resources – licences due to extension of One Source	-56,000	0	0
	26	Integrated Facilities Management – shortfall in traded services income	250,000	0	0
Leader of the Council	27	Capital financing - review of debt portfolio	5,522,493	1,437,000	600,000
	28	Revenue implications of capital programme	500,000	500,000	500,000
	29	Covid-19 cost pressures / loss of income	5,761,000	354,000	-2,373,000
	30	Proud Investment Programme	0	2,000,000	2,000,000
Total Internal Services deliver quality and adapt to meet the needs of customer facing services			11,977,493	4,291,000	727,000
Total Growth			23,486,073	12,504,000	8,108,000

Additionally, there is £3.34m of pay investment to be allocated to services in 2021/22.

Appendix 3 – Summary of Policy Proposals by Outcome 2021/22 – 2022-23

Portfolio	Ref No	Detail of Policy Proposals	2021/22	2022/23	Total
			£	£	£
Children grow up in connected communities and feel safe everywhere					
Children's	P1	Change, Grow, Live Contract - bring service back in house	(122,714)	(467,714)	(590,428)
	Total Children grow up in connected communities and feel safe everywhere		(122,714)	(467,714)	(590,428)
Internal Services deliver quality and adapt to meet the needs of customer facing services					
Leader of the Council	P2	Finance - Adult Social Care Client Care Team - introduce charge for appointeeship management / support	0	(72,800)	(72,800)
	P3	Finance - Adult Social Care Client Care Team - introduce charging for administration of deaths for appointees	0	(6,000)	(6,000)
Personnel & Business Support	P4	Organisational redesign to deliver Intelligent Client Model across Asset Management, Capital Projects and Facilities Management.	(195,921)	(42,726)	(238,647)
	P5	Redesign of Occupational Health contract	(7,500)	(7,500)	(15,000)
Total Outcome - Internal Services deliver quality and adapt to meet the needs of customer facing services			(203,421)	(129,026)	(332,447)
Outcome - People are proud of their vibrant town, districts and communities					
Deputy Leader & Regeneration	P6	Re-profile the highway maintenance mainstream budget for 2021/22	(300,000)	300,000	0
	P7	Increased capitalisation of staff costs	(46,000)	0	(46,000)
	P8	Increased capitalisation of highway works	(300,000)	0	(300,000)
	P9	Charge developers for travel plans	0	(30,000)	(30,000)
Total Outcome - People are proud of their vibrant town, districts and communities			(646,000)	270,000	(376,000)

Outcome - People live a good quality of life and feel they belong					
Adult Social Care	P10	Charge self-funders to arrange care via adult social care commissioners (brokerage service)	(15,000)	(15,000)	(30,000)
Portfolio	Ref No	Detail of Policy Proposals	2021/22 £	2022/23 £	Total £
Deputy Leader & Regeneration	P11	Introduce council tax penalty charges for failing to notify a change of circumstance	(150,000)	0	(150,000)
Deputy Leader & Resilient Communities	P12	Reduction to voluntary organisation	0	(51,300)	(51,300)
	P13	Consider ceasing pest and animal control service	(87,606)	0	(87,606)
	P14	Bereavement services – the sale of keepsake memorials and a range of personal memorabilia	(1,000)	0	(1,000)
Total Outcome - People live a good quality of life and feel they belong			(253,606)	(66,300)	(319,906)
Total Policy Proposals			(1,225,741)	(393,040)	(1,618,781)
Investment required to deliver policy proposals			604,703	(100,000)	504,703

Appendix 4 – Summary of Operational Proposals by Outcome 2021/22 – 2022/23

Portfolio	Ref No	Detail of Operational Proposals by Outcome	2021/22	2022/23	Total
			£	£	£
Outcome - Children grow up in connected communities and feel safe everywhere					
Children's	OP1	Efficiencies within the parenting team	(25,000)	0	(25,000)
	OP2	Review of Black Country Women's Aid contract	(94,443)	(94,443)	(188,886)
	OP3	Development of locality partnership offer in Early Help	0	(643,156)	(643,156)
	OP4	Efficiencies arising from the review and consolidation of admin & business support functions into a single hub (children's wide)	(163,181)	0	(163,181)
	OP5	Home to school transport - route optimisation	0	(216,204)	(216,204)
	OP6	Review of current establishment and reduction in the use of agency staff, following recruitment of permanent staff	(395,763)	(747,820)	(1,143,583)
	OP7	Mother & Baby - Daisy Project	(739,980)	(443,988)	(1,183,968)
	OP8	Strengthening families, protecting children	(189,783)	(338,711)	(528,494)
	OP9	Adolescent service - Turning Point - reduce number of adolescents coming into care	(835,205)	(759,933)	(1,595,138)
	OP10	Family drugs and alcohol court	(88,183)	(136,916)	(225,099)
	OP11	Foster carer support - placement disruption	(1,717,687)	(1,554,022)	(3,271,709)
	OP12	Placement sufficiency - recruitment & retention	(150,797)	(107,712)	(258,509)
	OP13	Grandparents plus - build in for future years	(67,235)	(67,236)	(134,471)
Total Outcome - Children grow up in connected communities and feel safe everywhere			(4,467,257)	(5,110,141)	(9,577,398)
Outcome - Children thrive emotionally, physically, mentally and feel they are achieving their potential					
Education & Skills	OP14	Customer Access Management System (CAMS)	(9,063)	0	(9,063)
	OP15	Review of structure - access and achievement	(128,742)	0	(128,742)
	OP16	Re-negotiation and joint procurement of moderation and school improvement contract	(40,000)	0	(40,000)
	OP17	Reduction in use of agency and temporary staff	0	(120,000)	(120,000)

	OP18	Implementation of education health and care plan hub	(2,474)	0	(2,474)
Total Outcome - Children thrive emotionally, physically, mentally and feel they are achieving their potential			(180,279)	(120,000)	(300,279)
Portfolio	Ref No	Detail of Operational Proposals by Outcome	2021/22 £	2022/23 £	Total £
Outcome - Creating an environment where business invests and everyone who wants a job can access one					
Deputy Leader & Regeneration	OP19	Increase in fee paying services planning development and building control	(37,000)	0	(37,000)
	OP20	Restructure within planning development and strategic planning	(135,000)	0	(135,000)
	OP21	Capitalisation of posts - maximise external funding	(120,000)	(25,000)	(145,000)
Deputy Leader & Regeneration	OP22	Efficiencies arising from the review and consolidation of admin & business support functions into a single hub (EE&C directorate support)	(125,611)	0	(125,611)
	OP23	Efficiencies arising from the creation of an integrated customer contact centre	(80,441)	0	(80,441)
Total Outcome - Creating an environment where business invests and everyone who wants a job can access one			(498,052)	(25,000)	(523,052)
Outcome - Education, training and skills enable people to fulfil their personal development					
Education & Skills	OP24	Seek contribution from Walsall CCG towards the provision of a Special Education Needs and/or Disability Information, Advice and Support Service (SENDIASS)	(43,000)	0	(43,000)
	OP25	Increase traded services to schools	(20,000)	(55,000)	(75,000)
	OP26	High needs funding review and provide specialist support to children with additional needs via use of DSG grant	(250,000)	(250,000)	(500,000)
	OP27	Review of structure and functions and provide in-house support to 2, 3 and 4 year olds	(50,000)	0	(50,000)
	OP28	Review and streamline the provision of specialist inclusion services and support	0	(41,283)	(41,283)
Total Outcome - Education, training and skills enable people to fulfil their personal development			(363,000)	(346,283)	(709,283)
Outcome - Internal Services deliver quality and adapt to meet the needs of customer facing services					

Children's	OP29	Children's - To develop Power BI reports to create efficiencies	0	(119,961)	(119,961)
Portfolio	Ref No	Detail of Operational Proposals by Outcome	2021/22 £	2022/23 £	Total £
Deputy Leader & Regeneration	OP30	Removal of expenses and training budgets - regeneration	(8,981)	0	(8,981)
Leader of the Council	OP31	Efficiencies arising from the review and consolidation of admin & business support functions into a single hub (communications, finance, legal and ICT)	(143,101)	0	(143,101)
	OP32	Paperless council meetings - savings to be made from eliminating paper agendas completely	(13,449)	(9,276)	(22,725)
	OP33	Review charges in relation to school admission appeals	(20,000)	0	(20,000)
	OP34	The modernisation of an electronic enrolment and canvassing system	(5,000)	(5,000)	(10,000)
	OP35	Efficiencies savings with legal services	(66,666)	(33,334)	(100,000)
	OP36	Become member of the Barristers Framework	(35,000)	0	(35,000)
	OP37	Increase income from School SLA's for legal advice	(7,000)	0	(7,000)
	OP38	Efficiencies in relation to the purchase of law library books	(15,000)	(10,000)	(25,000)
	OP39	Restructure of Finance Function to strengthen strategic financial planning, financial system teams and phased review of accountancy team management posts and review of external funding opportunities; and general efficiencies	(240,657)	(20,000)	(260,657)
	OP40	Review of Treasury / debt management costs recharge against investment returns delivered	(60,172)	(1,203)	(61,375)
	OP41	Accounts Payable - Use of automated invoice validation process within One Source	(52,148)	(48,311)	(100,459)
	OP42	Finance - Adult Social Care Charging & Payments and Client Care Teams - Impact of connected working on financial transactions council wide workstream	0	(21,667)	(21,667)

	OP43	Insurance Team - Review of insurance team to deliver focus on reducing claimcosts and reduction in insurance fund charges.	(99,319)	(1,287)	(100,606)
Portfolio	Ref No	Detail of Operational Proposals by Outcome	2021/22 £	2022/23 £	Total £
Leader of the Council	OP44	Finance - review and reduction in transactional activity within finance following implementation of One Source	(172,792)	(123,423)	(296,215)
	OP45	Finance - Schools Traded Service team cost recovery review	(19,449)	(19,449)	(38,898)
	OP46	Finance - Implementation of Walsall Supplier Early Payment Scheme	(92,000)	(92,000)	(184,000)
	OP47	ICT - Reduced photocopier usages and print reduction	(65,000)	0	(65,000)
	OP48	Infrastructure & Technology Changes - Cloud Navigation / Fibre	(155,000)	0	(155,000)
	OP49	Centralise all IT related expenditure across the council in order to identify and generate efficiencies and consolidate shadow IT capability and general programme efficiencies	(64,000)	(271,000)	(335,000)
	OP50	Sell some IT services to other councils and organisations	0	(21,000)	(21,000)
Personnel & Business Support	OP51	Efficiencies arising from the review and consolidation of admin & business support functions into a single hub (facilities management)	(2,894)	0	(2,894)
	OP52	Facilities management - school catering and caretaking traded services review	(215,987)	(15,200)	(231,187)
	OP53	Facilities management - review of responsibilities / service standards and specifications across all internal and traded units and review ways of working for relief caretakers	(286,908)	(58,344)	(345,252)
	OP54	Facilities management - review of structure and ways of working in the post room and centralisation and rationalisation of postage costs	(108,903)	0	(108,903)
	OP55	Facilities management - review administration structure and ways of working	(22,000)	0	(22,000)
	OP56	Facilities management - Improved value for money on repairs and maintenance contracts	(90,000)	0	(90,000)
I & Business	OP57	CPM - review structure and ways of working	(52,951)	(25,791)	(78,742)

	OP58	Efficiencies arising from the review and consolidation of admin & business support functions into a single hub (human resources)	(16,002)	0	(16,002)
	OP59	HR restructure	(100,000)	(50,000)	(150,000)
Portfolio	Ref No	Detail of Operational Proposals by Outcome	2021/22 £	2022/23 £	Total £
Personnel & Business Support	OP60	Consider ceasing of physio contract	(12,000)	(12,000)	(24,000)
Total Outcome - Internal Services deliver quality and adapt to meet the needs of customer facing services			(2,242,379)	(958,246)	(3,200,625)
Outcome - People are proud of their vibrant town, districts and communities					
Clean & Green	OP61	Increasing the number of fixed penalty notices issued	(50,000)	0	(50,000)
	OP62	Abandonment of current 'silo' roles within waste service	0	(363,682)	(363,682)
	OP63	Increase MOT charges	(19,975)	0	(19,975)
	OP64	Events income generation	(10,000)	0	(10,000)
	OP65	Management restructure	0	(320,000)	(320,000)
	OP66	Covid-19 reset of the street cleansing service	0	(49,320)	(49,320)
	OP67	Private sector or sponsorship funding of Christmas lights	(5,000)	0	(5,000)
	OP68	Efficiencies arising from the creation of an integrated customer contact centre	(1,739)	0	(1,739)
Deputy Leader & Regeneration	OP69	Transfer of all non-technical contact with customers to the customer contact centre - Planning, Engineering & Transport	(9,630)	0	(9,630)
	OP70	Review of permit scheme charges within statutory cap - permit costs to utilities companies for works on highways	(40,000)	0	(40,000)
	OP71	Section 38 fees increase	(45,806)	0	(45,806)
Deputy Leader & Resilient Communities	OP72	Restructure of Resilient communities to include Community safety, area partnerships and cohesion service	(406,558)	0	(406,558)
	OP73	Efficiency savings within the libraries service	(60,000)	0	(60,000)

	OP74	Heritage and culture / Arts and events - increase fees and charges	(9,351)	(9,351)	(18,702)
Portfolio	Ref No	Detail of Operational Proposals by Outcome	2021/22 £	2022/23 £	Total £
Deputy Leader & Resilient Communities	OP75	Efficiencies arising from the review and consolidation of admin & business support functions into a single hub (communities & partnerships)	(6,720)	0	(6,720)
	OP76	Efficiencies arising from the creation of an integrated customer contact centre (communities & partnerships)	(22,293)	0	(22,293)
Total Outcome - People are proud of their vibrant town, districts and communities			(687,072)	(742,353)	(1,429,425)
Outcome - People know what makes them healthy and they are encouraged to get support when they need it					
Adult Social Care	OP77	New Ways of Working/Staff Reconfiguration - Public Health Operating Model	(74,495)	0	(74,495)
Deputy Leader & Resilient Communities	OP78	Cost effective procurement of new fitness equipment	0	(34,646)	(34,646)
	OP79	Bloxwich Active Living Centre landing development	0	(80,820)	(80,820)
	OP80	Management restructure across Active Living Centres	(28,762)	0	(28,762)
	OP81	Concessionary "Move It" leisure scheme annual fee increase	(63,000)	0	(63,000)
	OP82	Increase membership retention by utilising new customer experience centre provision	(45,000)	0	(45,000)
Total Outcome - People know what makes them healthy and they are encouraged to get support when they need it			(211,257)	(115,466)	(326,723)
Outcome - People live a good quality of life and feel they belong					
Adult Social Care	OP83	New Ways of Working/Staff Reconfiguration. Resilient Communities	(112,988)	(112,988)	(225,976)
	OP84	New Ways of Working/Staff Reconfiguration. Customer Access Management	(37,663)	(37,663)	(75,326)
	OP85	New Ways of Working/Staff Reconfiguration. Admin Hub and Enabling support services	(92,079)	0	(92,079)
	OP86	New Ways of Working/Staff Reconfiguration. IT Operating Model	(16,475)	0	(16,475)
	OP87	New Ways of Working/Staff Reconfiguration. Commissioning Hub	(149,394)	0	(149,394)
	OP88	General efficiencies	(187,668)	0	(187,668)

Portfolio	Ref No	Detail of Operational Proposals by Outcome	2021/22 £	2022/23 £	Total £
Adult Social Care	OP89	New Ways of Working/Staff Reconfiguration. Customer Access Management/ Resilient Communities	(1,139,894)	(1,178,407)	(2,318,301)
	OP90	Review of Older People existing long term and new residential nursing & domiciliary placement costs support packages for learning disabilities including supported living and mental health	(2,424,243)	(4,400,928)	(6,825,171)
	OP91	Reduction of day care funded by direct payments	(690,893)	(356,471)	(1,047,364)
	OP92	All Age Disability	(156,000)	(156,000)	(312,000)
	OP93	Transfer of direct payment clients back to a commissioned service so reduction in direct payment standing order fees	(25,000)	0	(25,000)
	OP94	Controlling Cost and Maximising Income generation. Clear joint funding arrangements (with CCG) and recharge processes and review and re-profiling of better care fund/ winter pressures	(5,575,933)	1,532,742	(4,043,191)
	OP95	Review for learning disabilities joint funding tool	(1,500,000)	0	(1,500,000)
	OP96	Benefit maximisation project	(783,000)	0	(783,000)
	OP97	Review of all resources including Goscote and shared lives	0	(500,000)	(500,000)
Deputy Leader & Regeneration	OP98	Restructure within Money Home Job	(925,268)	(166,745)	(1,092,013)
	OP99	Court / DWP accuracy for checking claims income	(150,000)	0	(150,000)
	OP100	Bespoke webpage and web data entry form	0	(18,000)	(18,000)
Deputy Leader & Resilient Communities	OP101	Restructure in Voluntary & Community Sector Service	(63,682)	0	(63,682)
	OP102	Restructure and efficiencies within regulatory services and community protection	(295,563)	0	(295,563)
	OP103	Review of existing fees and charges within resilient communities	(115,522)	(44,315)	(159,837)
	OP104	Provide pre license surgeries to individuals and businesses to support license applications	(7,350)	(7,350)	(14,700)
	OP105	Review of CCTV contract	(42,772)	0	(42,772)

Portfolio	Ref No	Detail of Operational Proposals by Outcome	2021/22 £	2022/23 £	Total £
Deputy Leader & Resilient Communities	OP106	Charging for change of name deeds (registrars)	0	(10,890)	(10,890)
Total Outcome - People live a good quality of life and feel they belong			(14,491,387)	(5,457,015)	(19,948,402)
Total Operational Proposals			(23,140,683)	(12,874,504)	(36,015,187)
Investment required to deliver operational proposals			2,418,996	250,490	2,669,486