

**Economy and Environment
Overview and Scrutiny Committee**

19 NOVEMBER 2020

Draft Revenue Budget 2020/21 – 2023/24

Ward(s) All

Portfolios: Cllr A Andrew – Deputy Leader, Regeneration
Cllr O Butler – Clean and Green
Cllr G Perry – Deputy Leader, Resilient Communities

Executive Summary:

The draft revenue budget, as reported to Cabinet on 28 October 2020, includes the latest medium term financial outlook for the four year period from 2020/21 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 on 9 December 2020.

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. 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. Any variation to current predictions will be addressed in the next available report to Cabinet following receipt.

This report provides an extract of the Proud draft savings proposals and investments / cost pressures 2021/22 – 2023/24 by Proud Outcomes which fall within the remit of the Economy & Environment Overview and Scrutiny Committee for consideration.

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 December draft revenue budget proposals as a result of equality impact assessments and consultation will be fed into the final budget report.

Reason for scrutiny:

To enable consultation of the draft budget proposals for services within the remit of this Committee. A formal response for policy options is required to be reported back to Cabinet on 9 December 2020. Comments on the operational proposals are also welcomed but not essential, as they are able to be delivered under delegations.

Recommendations:

That:

1. The Committee are recommended to consider the draft revenue budget proposals attached that relate to the remit of this committee and formally report to Cabinet on the policy proposals shown in **Appendix 1**.
2. The Committee are asked to note that consultation will be undertaken on all new 2021/22 policy proposals shown in **Appendix 1**, and that feedback will be presented to Cabinet on 9 December 2020.
3. Note that further savings proposals will be presented to Cabinet on 9 December 2020 in order for a balanced budget to be delivered by February 2021. These will be reported to a future meeting of this scrutiny committee for consultation.

Background papers:

Various financial working papers.

Resource and legal considerations:

Cabinet on 28 October 2020 were presented with a list of draft Proud revenue savings proposals for consultation and a list of growth items by Proud outcomes.

The full Cabinet report can be accessed at the following link:

[Cabinet 28.10.2020 - Draft Revenue Budget 2020/21 – 2023/24](#)

Savings proposals

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.

Throughout the Covid-19 period, work continued on the Programme where possible. It was also possible to identify examples of changes in working practices 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.

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 Service Transformation Plan (STP), as discussed below, public consultation has begun on the Resilient Communities proposals, in conjunction with the residents survey, and engagement activities have commenced with partners.

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.

The outcome of the Proud STP process has identified £37.63m of potential financial benefits which 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. These total £1.6m over the two years. Policy proposals relating to the remit of this committee are shown at **Appendix 1**, and total c£0.46m over the two years.
2. Operational Proposals – savings which officers have delegations to implement; examples include restructures, back office savings and operational efficiencies. These total £36m over the two years. Operational proposals relating to the remit of this committee are shown at **Appendix 2**, and total c£2.3m over the two years.

Investment / cost pressures

Following a review of the MTFO / impact of Covid-19 a number of investment / cost pressures have been identified and included in the draft budget proposals totalling c£47.5m over the period 2021/22 to 2023/24. Those relating to the remit of this Committee are shown at **Appendix 3** and total c£1.9m over 3 years.

Some of the savings proposals also 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.

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Summary of Policy Proposals by Outcome 2021/22 – 2022/23 Relating to the remit of this Committee

Portfolio	Ref No	Detail of Policy Proposals	2021/22 £	2022/23 £	Total £
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					
Deputy Leader & Resilient Communities	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			(88,606)	0	(88,606)
Total Policy Proposals relating to the remit of this Committee			(734,606)	270,000	(464,606)

APPENDIX 2

Summary of Operational Proposals by Outcome 2021/22 – 2022/23 Relating to the remit of this Committee

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)
	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 - Internal Services deliver quality and adapt to meet the needs of customer facing services					
Deputy Leader & Regeneration	OP30	Removal of expenses and training budgets - regeneration	(8,981)	0	(8,981)
Total Outcome - Internal Services deliver quality and adapt to meet the needs of customer facing services			(8,981)	0	(8,981)
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)
Portfolio	Ref No	Detail of Operational Proposals by Outcome	2021/22 £	2022/23 £	Total £
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)
	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)
Total Outcome - People are proud of their vibrant town, districts and communities			(251,501)	(742,353)	(993,854)
Outcome - People know what makes them healthy and they are encouraged to get support when they need it					
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			(136,762)	(115,466)	(252,228)
Outcome - People live a good quality of life and feel they belong					
	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)
	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			(418,435)	(62,555)	(480,990)
Total Operational Proposals relating to the remit of this Committee			(1,313,731)	(945,374)	(2,259,105)

APPENDIX 3

Summary of Investments / Cost Pressures 2021/22 – 2023/24 included within the MTFO by Outcome relating to the remit of this Committee

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					
Deputy Leader & Resilient Communities	5	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			740,000	0	0
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
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
Total Growth relating to the remit of this Committee			1,442,174	240,000	240,000