

**3 November 2020**

**Draft revenue budget 2020/21 – 2023/24**

**Ward(s)** All

**Portfolios:** Councillor Chris Towe – Education and Skills

**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 that fall within the remit of the Education 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. There are no policy proposals relating to the remit of this committee.
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 1**, and total c£1m 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 2** and total £2.56m over 3 years.

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

#### **Contact Officers:**

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**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 £
<b>Outcome - Children thrive emotionally, physically, mentally and feel they are achieving their potential</b>					
<b>Education &amp; Skills</b>	<b>OP14</b>	Customer Access Management System (CAMS)	(9,063)	0	(9,063)
	<b>OP15</b>	Review of structure - access and achievement	(128,742)	0	(128,742)
	<b>OP16</b>	Re-negotiation and joint procurement of moderation and school improvement contract	(40,000)	0	(40,000)
	<b>OP17</b>	Reduction in use of agency and temporary staff	0	(120,000)	(120,000)
	<b>OP18</b>	Implementation of education health and care plan hub	(2,474)	0	(2,474)
<b>Total Outcome - Children thrive emotionally, physically, mentally and feel they are achieving their potential</b>			<b>(180,279)</b>	<b>(120,000)</b>	<b>(300,279)</b>
<b>Outcome - Education, training and skills enable people to fulfil their personal development</b>					
<b>Education &amp; Skills</b>	<b>OP24</b>	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)
	<b>OP25</b>	Increase traded services to schools	(20,000)	(55,000)	(75,000)
	<b>OP26</b>	High needs funding review and provide specialist support to children with additional needs via use of DSG grant	(250,000)	(250,000)	(500,000)
	<b>OP27</b>	Review of structure and functions and provide in-house support to 2, 3 and 4 year olds	(50,000)	0	(50,000)
	<b>OP28</b>	Review and streamline the provision of specialist inclusion services and support	0	(41,283)	(41,283)
<b>Total Outcome - Education, training and skills enable people to fulfil their personal development</b>			<b>(363,000)</b>	<b>(346,283)</b>	<b>(709,283)</b>
<b>Total Operational Proposals relating to the remit of this Committee</b>			<b>(543,279)</b>	<b>(466,283)</b>	<b>(1,009,562)</b>

## APPENDIX 2

**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 £
<b>Children thrive emotionally, physically, mentally and feel they are achieving their potential</b>					
<b>Education &amp; Skills</b>	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
<b>Total Children thrive emotionally, physically, mentally and feel they are achieving their potential</b>			<b>1,399,000</b>	<b>648,000</b>	<b>515,000</b>
<b>Total Growth relating to the remit of this Committee</b>			<b>1,399,000</b>	<b>648,000</b>	<b>515,000</b>