



WOKINGHAM BOROUGH COUNCIL

An Extraordinary Meeting of the **COMMUNITY AND CORPORATE OVERVIEW AND SCRUTINY COMMITTEE** will be held in David Hicks 1 - Civic Offices, Shute End, Wokingham RG40 1BN **TUESDAY 24 SEPTEMBER 2019 AT 7.00 PM**

Susan Parsonage
Chief Executive
Published on 16 September 2019

The role of Overview and Scrutiny is to provide independent “critical friend” challenge and to work with the Council’s Executive and other public service providers for the benefit of the public. The Committee considers submissions from a range of sources and reaches conclusions based on the weight of evidence – not on party political grounds.

This meeting may be filmed for inclusion on the Council’s website.

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WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, an even better place to do business

Our Priorities

Improve educational attainment and focus on every child achieving their potential

Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth

Ensure strong sustainable communities that are vibrant and supported by well designed development

Tackle traffic congestion in specific areas of the Borough

Improve the customer experience when accessing Council services

The Underpinning Principles

Offer excellent value for your Council Tax

Provide affordable homes

Look after the vulnerable

Improve health, wellbeing and quality of life

Maintain and improve the waste collection, recycling and fuel efficiency

Deliver quality in all that we do

MEMBERSHIP OF THE COMMUNITY AND CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

Councillors

Guy Grandison (Chairman)
Paul Fishwick
Abdul Loyes

Ken Miall (Vice-Chairman)
Graham Howe
Barrie Patman

Shirley Boyt
Clive Jones

Substitutes

Andy Croy
Emma Hobbs

Carl Doran
Rachelle Shepherd-DuBey

Pauline Helliar-Symons
Caroline Smith

ITEM NO.	WARD	SUBJECT	PAGE NO.
19.		<p>APOLOGIES To receive any apologies for absence.</p>	
20.		<p>DECLARATION OF INTEREST To receive any declarations of interest.</p>	
21.		<p>PUBLIC QUESTION TIME To answer any public questions related to items on this agenda</p> <p>A period of 30 minutes will be allowed for members of the public to ask questions related to items on this agenda submitted under notice.</p> <p>The Council welcomes questions from members of the public about items on this agenda</p> <p>For full details of the procedure for submitting questions please contact the Democratic Services Section on the numbers given below or go to www.wokingham.gov.uk/publicquestions</p>	
22.		<p>MEMBER QUESTION TIME To answer any member questions relating to items on this agenda</p>	
23.	None Specific	<p>MTFP 2020-23 To consider aspects of the draft 2020-23 MTFP, with a focus on the General Fund Revenue Account (Council Tax setting)</p>	5 - 14

Any other items which the Chairman decides are urgent

A Supplementary Agenda will be issued by the Chief Executive if there are any other items to consider under this heading

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Agenda Item 23.

TITLE	MTFP 2020-23
FOR CONSIDERATION BY	Community and Corporate Overview and Scrutiny Committee on 24 September 2019
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

Financially sustainable Council and value for money services in accordance with priorities.

RECOMMENDATION

To consider the report and identify areas of productive exploration.

SUMMARY OF REPORT

The Council annually undertakes its budget setting process for all its financial activities. The strategic context and approach is included in the first paper to Overview and Scrutiny in accordance with the timetable attached.

Background

The Council annually undertakes its budget setting process for all its financial activities including General Fund Revenue Account (funded by primarily by Council Tax), HRA (funded by tenants), Schools (funded by Government) and Capital (funded by various capital resources).

An overview of these funds is provided in the MTFP, last approved by Full Council in February 2019.

Analysis of Issues

This strategic overview focusses on the General Fund Revenue Account and sets out the national and local context in which the budget will be set (slide 3).

The figures presented (slide 3 and 4) provides a summary of growth pressures and savings by department, followed by Corporate Financing consideration. Although it shows an ongoing deficit of £3.6m, it should be taken in the context that the budget setting process is at a formative stage and that there is much work to be done, where possible, to reduce costs, increase efficiencies and generate new lines of income (including maximising grant funding). In this regard, an officer group, led by the Chief Executive and Deputy Chief Executive, are continuing to explore funding solutions through activities such as:

- Demand Management
- More effective Contract Management
- Procurement
- Commercial Opportunities
- Grant Maximisation
- Invest to Save/Contain

It should however be noted that the Year 1 2020/21 budget position does already balance (with a transfer from reserves), whilst leaving General Fund Balances at a safe level.

Those involved in the Budget Setting process have a responsibility to address the ongoing funding position of the Council, which includes making its continual representation to the Government for a fairer funding deal for Wokingham Borough Council (currently the lowest funded Unitary Authority per head of population).

Incorporated in the summary figures, is considerable investment in priority services for the Council, in particular, an ambition to attain a stepped improvement in our Children's Services (a rating of Good by Ofsted) and significant upgrading of the general state of our highways. The details of specific budget investment proposals, and savings will be presented to Overview and Scrutiny in accordance with the timetable (see slide 6).

Slide 5 shows the business case template that will be completed for all submissions over £50k.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	See other financial implications	Y	R
Next Financial Year (Year 2)	See other financial implications	Y	R
Following Financial Year (Year 3)	See other financial implications	Y	R

Other financial information relevant to the Recommendation/Decision

There are no financial implications associated with the scrutiny process, however, the full MTFP, when submitted to Council in February 2020, will have to represent a balanced budget.

Cross-Council Implications

This is in respect of budgets across all Council services.

Public Sector Equality Duty

Please confirm that due regard to the Public Sector Equality Duty has been taken and if an equalities assessment has been completed or explain why an equalities assessment is not required.

Not at this stage of consideration but equality impact statements will be required before specific proposals are agreed and implemented.

List of Background Papers

MTFP 2019-22

Contact Graham Ebers	Service Corporate Services
Telephone No Tel: 0118 974 6557	Email graham.ebers@wokingham.gov.uk

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MTFP 2020-23 Overview and Scrutiny

September 24th 2019

Focus on General Fund Revenue Account (Council Tax setting)

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WOKINGHAM
BOROUGH COUNCIL

Context

- Lowest Funded Unitary Authority per Head of population
- A one year Settlement was expected September 2019 (not helpful for long term planning)
- £2.1m ongoing funding gap brought forward from 2019/20
- Revenue Monitoring pressures 2019/20
- C21C phase 2 not long completed (both phases means staffing reductions of £3m achieved in Corp Services, C&L and Mngmnt)
- Investing in Children's Services 'good'
- ASC national 'crisis' – delay in Green paper, end of ASC precept
- Investing in our roads (c£500k per year)
- Budget position is currently 'work in progress' and subject to considerable change including; challenging growth, seeking additional efficiencies and the impact of the Local Government Finance Settlement



MTFP Summary

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	Yr 1 - 20/21			Yr 2 - 21/22		
	Growth	Savings	Net	Growth	Savings	Net
Children's Services	£1,857	(£810)	£1,047	£2,198	(£1,790)	£408
Customer and Localities Services	£921	(£80)	£841	£1,140	(£80)	£1,060
Chief Executive	£0	£0	£0	£0	£0	£0
Corporate Services	£80	(£2,080)	(£2,000)	£80	(£3,459)	(£3,379)
Adult Social Care	£3,510	(£1,700)	£1,810	£6,078	(£3,050)	£3,028
Total	£6,368	(£4,670)	£1,698	£9,496	(£8,379)	£1,117
2019/20 MTFP Budget Gap			£2,124			£2,124
Net growth / savings (from above)			£1,698			£1,117
Inflation (pay award + contractual inflation)			£2,100			£4,200
Council tax increase (2.99%)			(£3,000)			(£6,070)
Council tax base increase (1.85% Increase, 2.2% in 19/20)			(£1,850)			(£2,880)
Retained business rates impact			£2,550			£5,750
Revised Budget Challenge Sept 2019 (subject to change)			£3,622			£4,241

Year 3 figures yet to be populated

MTFP Summary Cont..

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	Yr 1 20/21	Yr 2 21/22	Yr 3 22/23
Revised Budget Challenge Sept 2019 (from previous slide) subject to change	£3,622	£4,241	
Transfers (from) / to balances	(£3,622)	£0	
	£0	£4,241	

Note – General fund reserves are estimated to be c£10m after Yr 1 transfers from balances (based on no negative Revenue Support Grant payment).



Bid Template (Growth / Savings / Special Items) DRAFT

Revenue Budget Setting 2020/21 to 2022/23

Directorate

Bid Details

Bid Type	#N/A
Bid Name	
Description of Bid Inc. (Reason for Bid i.e. Demand / Legislative / Discretionary)	
Supporting Evidence / Trend Analysis / Business Case ref	
Impact if bid not successful	
Preparedness for implementation of savings	

Finance Information

		Yr 1 2020/21	Yr 2 2021/22	Yr 3 2022/23
Amount needed per year	Expenditure	£0	£0	£0
	Income	£0	£0	£0
<i>Cumulative movement from 19/20 budget</i>		£0	£0	£0

Timetable

<u>Budget Consideration</u>	<u>CCOS</u>	<u>Executive</u>	<u>Council</u>
Strategic Overview	24 Sep 19		
Major Revenue Savings Proposals	30 Oct 19		
Minor Savings Proposals, Growth	25 Nov 19		
Fees and Charges Uplifts		28 Nov 19	
Capital, Residual Issues	06 Jan 20		
Final 'sign off'	23 Jan 20		20 Feb 20

