



WOKINGHAM BOROUGH COUNCIL

An Extraordinary Meeting of the **COMMUNITY AND CORPORATE OVERVIEW AND SCRUTINY COMMITTEE** will be held virtually on **TUESDAY 13 OCTOBER 2020 AT 7.00 PM**

A handwritten signature in black ink, appearing to read 'Susan Parsonage', with a long, sweeping tail.

Susan Parsonage
Chief Executive
Published on 5 October 2020

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.

Note: The Council has made arrangements under the Coronavirus Act 2020 to hold this meeting virtually via Microsoft Teams. The meeting can be watched live using the following link: <https://youtu.be/y7c-CBXLnA8>

Please note that other people may film, record, tweet or blog from this meeting. The use of these images or recordings is not under the Council’s control.



WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, learn, work and grow and a great place to do business

Enriching Lives

- Champion outstanding education and enable our children and young people to achieve their full potential, regardless of their background.
- Support our residents to lead happy, healthy lives and provide access to good leisure facilities to complement an active lifestyle.
- Engage and involve our communities through arts and culture and create a sense of identity which people feel part of.
- Support growth in our local economy and help to build business.

Safe, Strong, Communities

- Protect and safeguard our children, young and vulnerable people.
- Offer quality care and support, at the right time, to prevent the need for long term care.
- Nurture communities and help them to thrive.
- Ensure our borough and communities remain safe for all.

A Clean and Green Borough

- Do all we can to become carbon neutral and sustainable for the future.
- Protect our borough, keep it clean and enhance our green areas.
- Reduce our waste, improve biodiversity and increase recycling.
- Connect our parks and open spaces with green cycleways.

Right Homes, Right Places

- Offer quality, affordable, sustainable homes fit for the future.
- Build our fair share of housing with the right infrastructure to support and enable our borough to grow.
- Protect our unique places and preserve our natural environment.
- Help with your housing needs and support people to live independently in their own homes.

Keeping the Borough Moving

- Maintain and improve our roads, footpaths and cycleways.
- Tackle traffic congestion, minimise delays and disruptions.
- Enable safe and sustainable travel around the borough with good transport infrastructure.
- Promote healthy alternative travel options and support our partners to offer affordable, accessible public transport with good network links.

Changing the Way We Work for You

- Be relentlessly customer focussed.
- Work with our partners to provide efficient, effective, joined up services which are focussed around you.
- Communicate better with you, owning issues, updating on progress and responding appropriately as well as promoting what is happening in our Borough.
- Drive innovative digital ways of working that will connect our communities, businesses and customers to our services in a way that suits their needs.

MEMBERSHIP OF THE COMMUNITY AND CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

Councillors

Guy Grandison (Chairman)	Shirley Boyt	Paul Fishwick
Graham Howe	Clive Jones	Abdul Loyes
Emma Hobbs	Alison Swaddle	

Substitutes

Andy Croy	Carl Doran	Pauline Helliard-Symons
Rachelle Shepherd-DuBey	Caroline Smith	Chris Bowring

ITEM NO.	WARD	SUBJECT	PAGE NO.
38.		APOLOGIES To receive any apologies for absence.	
39.		DECLARATION OF INTEREST To receive any declarations of interest.	
40.	None Specific	APPOINTMENT OF VICE-CHAIRMAN To appoint a Vice-Chairman for the remainder of the 2020/21 municipal year.	
41.		PUBLIC QUESTION TIME To answer any public questions related to items on this agenda. A period of 30 minutes will be allowed for members of the public to ask questions submitted under notice. The Council welcomes questions from members of the public about the work of this committee. Subject to meeting certain timescales, questions can relate to general issues concerned with the work of the Committee or an item which is on the Agenda for this meeting. 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	
42.		MEMBER QUESTION TIME To answer any member questions related to items on this agenda.	
43.	None Specific	MTFP 2021-24: STRATEGIC OVERVIEW To consider the strategic overview for the 2021-24 Medium Term Financial Plan (MTFP).	5 - 16

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 43.

TITLE	Medium Term Financial Plan 2021-24
FOR CONSIDERATION BY	Community and Corporate Overview and Scrutiny Committee on 13 October 2020
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

To deliver on the priorities within the Council's Corporate Plan whilst maintaining a financially viable Council.

RECOMMENDATION

To consider the report and identify areas of productive exploration.

SUMMARY OF REPORT

The Council annually undertakes a budget setting process to determine its investment priorities and spending reductions in arriving at a balanced budget. The strategic context, including the budget setting approach is the first consideration for Overview and Scrutiny in this year's process.

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 2020.

Last year's budget setting process incorporated and benefited from considerable consideration by the Overview and Scrutiny committee. It is intended that a similar approach is adopted again for this year's budget cycle.

Analysis of Issues

The Budget Strategic Overview (Appendix A) focusses on the General Fund Revenue Account and sets out the national and local context in which the budget will be set. It also shows key risks faced by the Council, most notably the unknown full extent of the COVID-19 impact.

The figures presented provide a summary of growth pressures and savings by department, followed by Corporate Financing considerations. Although much work has already been undertaken in the attempt to achieve a balanced budget, during unprecedented challenging circumstances, it should be taken in the context that the budget setting process is at a formative stage. Further action will be taken, where possible, to reduce costs, increase efficiencies and generate new lines of income through activities such as:

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

It should be noted that the Year 1 2021/22 budget position would already balance (with a transfer from reserves), whilst leaving General Fund Balances at a sufficiently safe level. This is of course subject to the outcome of the Local Government Finance settlement which is unlikely to be announced until December 2020.

Wokingham Borough Council remain the lowest funded Unitary Authority per head of population and the Council should do all it can to make representations for a fair settlement in December 2020 and more significantly a fair Government funding settlement the following year, which is expected to cover a 4 year period.

Incorporated in the summary figures, is the 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). The details of specific budget investment proposals, and savings will be presented to this Overview and Scrutiny Committee in accordance with the timetable (Appendix A).

A business case template will be completed for all submissions over £50k and will accompany the budget proposals presented to this Committee, in the way they were last year.

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 2021, 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 2020-23

Contact Graham Ebers	Service Resources & Assets
Telephone No Tel: 0118 974 6557	Email graham.ebers@wokingham.gov.uk

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MTFP 2021-24

Overview and Scrutiny Committee

13 October 2020

Budget Strategic Summary

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WOKINGHAM
BOROUGH COUNCIL

Strategic Context

- Lowest Funded Unitary Authority per Head of population
- A one year Settlement was expected December 2020 (not helpful for long term planning) & new 4 year Settlement expected December 2021
- £3.5m ongoing funding gap brought forward from 2020/21
- Impact of COVID-19 2020/21 and beyond – balances, ongoing pressures, impact on income, impact on providers
- ASC national ‘crisis’ – delay in Green paper, uncertainty of ASC precept
- Children Services – getting to Good
- C21C - £3m staff reduction in previous budgets
- Housing Numbers – white paper, CIL/S106, future service pressures
- 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

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MTFP Summary

Budget Submissions by Directorate 2021/22 – 2023/24

(Cumulative)

	Yr 1 - 21/22			Yr 2 - 22/23			Yr 3 - 23/24		
	Growth	Savings	Net	Growth	Savings	Net	Growth	Savings	Net
Children's Services	£1,660	(£1,205)	£455	£2,780	(£1,830)	£950	£3,950	(£4,180)	(£230)
Place and Growth	£1,418	(£908)	£510	£1,573	(£1,018)	£555	£2,003	(£1,228)	£775
Communities, Insight & Change	£601	(£203)	£398	£1,155	(£495)	£660	£1,155	(£495)	£660
Resources & Assets	£416	(£2,157)	(£1,741)	£416	(£3,567)	(£3,151)	£416	(£3,921)	(£3,505)
Adult Social Care	£1,920	(£1,900)	£20	£4,614	(£3,300)	£1,314	£6,655	(£4,700)	£1,955
Total	£6,015	(£6,373)	(£358)	£10,538	(£10,210)	£328	£14,179	(£14,524)	(£345)



MTFP Summary

Corporate items including Council Tax income (cumulative)



	Yr 1 - 21/22 Net	Yr 2 - 22/23 Net	Yr 3 - 23/24 Net
Ongoing budget shortfall from 2020/21 MTFP	£3,498	£3,498	£3,498
Net growth / savings (from above)	(£358)	£328	(£345)
Contractual Inflation (includes NJC pay award)	£5,166	£9,987	£14,880
Council tax increase - 1.99% Core	(£2,212)	(£4,536)	(£6,929)
Council tax Increase - 2.00% ASC Precept - Yr 1 Only	(£2,223)	(£2,223)	(£2,223)
Additional Council tax base increase (1% Increase)	(£1,156)	(£2,347)	(£3,573)
Council Tax Reduction Scheme (net)	(£300)	(£300)	(£300)
	£2,414	£4,407	£5,007



MTFP Summary Work In Progress



	Yr 1 - 21/22 Net	Yr 2 - 22/23 Net	Yr 3 - 23/24 Net
Carried forward from previous slide	£2,414	£4,407	£5,007
Accommodation rationalisation (indicative)	(£325)	(£500)	(£700)
Contracts & commissioning review (indicative)	(£200)	(£350)	(£500)
Commercialisation programme (indicative)	(£200)	(£500)	(£800)
Reduce/re-phase Yr 1 growth, Expedite Yr 2 Savings, use of reserves	(1,689)	(3,057)	(3,007)
Budget Variance	£0	£0	£0



Risks

- Council Tax Collection rate of 99% assumed, with recovery of non payment over 3 years, every 1% loss in collection equals approx. £1.170m
- Business Rates Collection rate of 99% assumed, with recovery of non payment over 3 years, every 1% loss in collection equals approx. £0.526m
- No assumption of Second Lockdown COVID 19 or unfunded COVID 19 related responsibilities
- Furlough scheme ends 31st October, to be replaced with jobs support scheme. Impact on demand on Council resources is not yet known.
- LGFS 21/22 unknown and fundamental changes to 4 year settlement 22/23 – 26/27
- Public Health Grant, NHB, CIL/S106 face uncertain future

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Bid Template (Growth / Savings / Special Items)

Revenue Budget Setting 2021/22 to 2023/24

Directorate

Bid Details

Bid Type	
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	
Additional comments	

Finance Information

		Yr 1 2021/22	Yr 2 2022/23	Yr 3 2023/24
Amount needed per year	Expenditure	£0	£0	£0
	Income	£0	£0	£0
<i>Cumulative movement from 20/21 budget</i>		£0	£0	£0

Timetable

<u>Budget Consideration</u>	<u>CCOS</u>	<u>Executive</u>	<u>Council</u>
Strategic Overview	13 Oct 20		
Revenue: Adult Social Care, Place and Growth	28 Oct 20		
Revenue: Children's Services, Community Insight and Change, Resources and Assets	23 Nov 20		
Fees and Charges Uplifts		26 Nov 20	
Capital, Special Items and updated revenue position	22 Dec 20		
Capital and Revenue Final discussions	19 Jan 21	18 Feb 21	18 Feb 21

