

<b>Report to:</b>	Executive Cabinet Member – Stronger Communities		
<b>Date of meeting:</b>	9 <sup>th</sup> March 2021		
<b>Report of:</b>	Director of Place, Deputy Chief Executive	<b>Report number:</b>	ECMSC/4657
<b>Contact officer:</b>	Janet Pollard, Head of Strategic Finance	<b>Telephone number</b>	01204 336710
<b>Report title:</b>	Directorate of Corporate Resources – Budget Report 2021/22		
<b>Not confidential</b>			
This report does not contain information which warrants its consideration in the absence of the press or members of the public.			
<b>Purpose:</b>	This report is for completeness of the Corporate Business Planning Process for 2021/2022. It outlines the portfolio budgets, within the Directorate of Corporate Resources and the Directorate of Place		
<b>Recommendations:</b>	<p>The Executive Cabinet Member is recommended to:</p> <ul style="list-style-type: none"> <li>• Notes the controllable revenue budget for the Executive Cabinet Member -Leader, before the implementation of strategic budget options, amounts to £25.12m. The controllable CBPP revenue budget for the Executive Cabinet Member -Stronger Communities, before the implementation of strategic budget options, amounts to £2.049m</li> <li>• Notes the capital programme outlined in Appendix E to this report.</li> <li>• Notes the allocated directorate and corporate savings options of £7,431,000 outlined in Appendix D to this report.</li> <li>• Approves the identified savings of £200k as set out in section 5.1 of this report.</li> </ul>		
<b>Decision:</b>			
<b>Background documents:</b>	<a href="#">Local Council Tax Scheme 2020/21- Post Consultation Report -Report number 3482</a>		
<b>Signed:</b>	Leader/Executive Cabinet Member	Monitoring Officer	
<b>Date:</b>			
<b>Consultation with other officers</b>			
Finance	Yes	Sue Johnson	
Legal	No		
HR	No		
Equality Impact Assessment required?	No		

<b>(a) Pre-consultation reports</b> Is there a need to consult on the proposals?		No
<b>(b) Post consultation reports</b> Please confirm that the consultation response has been taken into consideration in making the recommendations.		No
<b>Vision outcomes</b>  Please identify the appropriate Vision outcome(s) that this report relates or contributes to by putting a cross in the relevant box.	1. Start Well	
	2. Live Well	
	3. Age Well	
	4. Prosperous	X
	5. Clean and Green	
	6. Strong and Distinctive	

## **1 Introduction**

This report represents the final stage of the Corporate Business Planning Process (CBPP) for 2021/22. It details the changes between the 2020/21 and the 2021/22 revenue budget for the Directorate of Corporate Resources.

It also provides detail of the allocated £7.431m 2021-22 corporate and departmental savings target.

## **2 BACKGROUND**

The 2021-22 CBPP process began with a cabinet paper setting out our overall financial position and the strategic proposals for cuts, which was presented at Cabinet meeting in December.

Following a consultation period, briefings with staff and confirmation of the local government funding settlement the final proposals for the budget, savings and council tax were approved at the full meeting of the Council on 17th February 2021.

The Borough Treasurer considers that the departmental budget detail as set out in this report is robust.

## **3 REVENUE BUDGET**

Appendix A provides a detailed objective analysis of the budget, analysed by service area and Executive Cabinet Member.

Appendix B provides a detailed subjective analysis of the budget, analysed by expenditure type and Executive Cabinet Member.

From the objective analysis, the net revenue budget for the Directorate of Corporate Resources, before the implementation of strategic budget options, amounts to £17.309m

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The controllable CBPP revenue budget for the Directorate of Corporate Resources, before the implementation of strategic budget options, amounts to £27.831m. Within this Directorate, the controllable CBPP revenue budget for the Executive Cabinet Member - Leader, before the implementation of strategic budget options, amounts to £25.12m. The controllable CBPP revenue budget for the Executive Cabinet Member - Stronger Communities, before the implementation of strategic budget options, amounts to £2.049m.

## 4.1 DIRECTORATE OF CORPORATE RESOURCES- VARIANCE ANALYSIS

Appendix C to this report outlines a detailed variance analysis of changes between the original budget for 2020/21 and the proposed budget for 2021/22. This section explains individual items in more detail.

### 4.1.1 In Year Budget Virements 2020-21

Budget virements represent budget transfers to / from the Directorate of Corporate Resources.

<b>2020-21 Budget Virements</b>	<b>£'000</b>
Democracy Review	50
Staffing Budget Transfer	200
Neighbourhood Services Events Budget	18
Xmas Lights	30
Pay Award Clawback	-45
Capital financing -MRP	470
Exchequer Services	5
Finance Team and SLA	929
Civil Contingencies	-7
Insurance	1
Community Safety and Area Working	1,161
<b>Total Budget Virements</b>	<b>2,812</b>

### 4.1.2 Corporately Funded Growth 2021-22

#### **Inflation (£329,300)**

This represents anticipated increases in costs resulting from the increases in prices paid, less increased income, based on the assumptions approved by Council in the Budget report on 17<sup>th</sup> February 2021.

#### **Insurance (£6,900)**

The Council's insurance costs are apportioned across all departments.

#### **Non COVID-19 Ongoing Pressures (£2,000,000)**

Built into the budget to fund ongoing pressures within the department.

### 4.1.3 Recharge Adjustments (-£850,400)

Recharges have been aligned as services have transferred across the Council as part of the 2020-21 budget process.

### 4.1.4 Directorate of Corporate Resources Strategic Budget Options (£3,118,000)

Appendix D to this report provides an analysis of proposed savings options identified for 2021-22.

## 4.2 Proposed Budget

The total net revenue budget for the Directorate of Corporate Resources, after the implementation of strategic budget options, amounts to £14.191m

## 5 STRATEGIC BUDGET SAVINGS OPTION DETAILS

At the February Budget meeting of full Council budget reductions of £36.5m were allocated to Directorates. This equates to £7.431m for the Directorate of Corporate Resources and the Corporate centre.

Appendix D provides a summary of the options for 2021/22. Further detail of the options is outlined below.

### 5.1 Details of the proposed option

Approval is sought for the below options in this report.

ECM	OPTION	RATIONALE	TOTAL (£,000)
Stronger Communities	Align Council Tax hardship budget to expected demand	It is proposed to align the council tax hardship budget to expected demand, from £400k to £300k	100
Stronger Communities	LWP Budget focus on fuel poverty support to residents	It is proposed to reduce this budget from £500k to £400k, with a focus on fuel poverty support to residents. This reduction will still retain budget flexibility to respond to changes in demand	100
Leader	Reduce the Corporate Benefits budget	It is proposed to align the corporate benefits budget to historical demand	151
Leader	Freeze non- staffing budgets at 2020-21 levels	It is proposed to freeze budgets at 2020-21 levels across the division	52
Leader	Deletion of subscription budget	The Government Delivery subscription is no longer required by the council.	20
Leader	Reduce Document Solutions Equipment Budget	It is proposed to review and rationalise the equipment base across the joint service.	14
Leader	MRP re-profiling	An alignment of the capital financing budgets.	1,953
Leader	Levy budgets	An alignment of the levy budgets	540
Leader	Pay modelling balance	An alignment of the pay modelling budgets	820
Total			3,313

5.2 The remainder of options will come forward as 2021-22 service reviews.

## **6 CAPITAL**

The total capital programme for the Directorate of Corporate Resources is detailed in Appendix E

## **7 CONCLUSIONS AND RECOMMENDATIONS**

This report has provided information relating to the portfolio budgets, within the Directorate of Corporate Resources and the Directorate of Place

It is recommended that the Executive Cabinet Member:

- Notes the controllable revenue budget for the Executive Cabinet Member -Leader, before the implementation of strategic budget options, amounts to £25.12m. The controllable CBPP revenue budget for the Executive Cabinet Member -Stronger Communities, before the implementation of strategic budget options, amounts to £2.049m
- Notes the capital programme outlined in Appendix E to this report.
- Notes the allocated directorate and corporate savings options of £7,431,000 outlined in Appendix D to this report.
- Approves the identified savings of £200k as set out in section 5.1 of this report.

**Objective Analysis****Controllable Budget by Executive Cabinet Member**

	<b>Executive Cabinet Member - Leader</b>	<b>Executive Cabinet Member - Stronger Communities</b>	<b>Executive Cabinet Member - Environmental Services Delivery</b>	<b>Recharges</b>	<b>2021-22 FCB Budget</b>
<b>Directorate of Corporate Resources</b>	<b>2021/22 £000</b>	<b>2021/22 £000</b>	<b>2021/22 £000</b>	<b>2021/22 £000</b>	<b>2021/22 £000</b>
Corporate Benefits	252	0	0	0	252
Revenue, Benefits and Customer Services	4,485	774	0	456	5,715
Financial Management	5,103	0	0	-2,835	2,268
Transformation	4,980	0	0	-4,744	236
Legal & Democratic	5,426	0	0	-282	5,144
HR and OD	1,733	0	0	-1,993	-260
Policy, Performance & Communications	2,063	782	0	-424	2,421
Chief Executives DLT	938	0	0	-683	255
Community Safety	0	493	0	59	552
Neighbourhood Management	0	0	667	59	726
<b>Directorate of Corporate Resources Total</b>	<b>24,980</b>	<b>2,049</b>	<b>667</b>	<b>-10,387</b>	<b>17,309</b>
<b>Directorate of Place</b>					
Civil Contingencies	135				135
<b>Directorate of Place Total</b>	<b>135</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135</b>
<b>Executive Cabinet Member Total (Before Savings)</b>	<b>25,115</b>	<b>2,049</b>	<b>667</b>	<b>-10,387</b>	<b>17,444</b>
21-22 Savings					-3,118
<b>Executive Cabinet Member Total</b>	<b>25,115</b>	<b>2,049</b>	<b>667</b>	<b>-10,387</b>	<b>14,326</b>

**Subjective Analysis****Budget by Executive Cabinet Member**

	<b>Executive Cabinet Member - Leader</b>	<b>Executive Cabinet Member - Stronger Communities</b>	<b>Executive Cabinet Member - Environmental Services Delivery</b>	<b>Total Executive Cabinet Member</b>
	<b>2021-22 £000</b>	<b>2021-22 £000</b>	<b>2021-22 £000</b>	<b>2021-22 £000</b>
<b>Expenditure</b>				
Employees	21,252	609	359	22,220
Premises	236	3	0	239
Transport	88	11	3	102
Supplies and Services	12,332	641	300	13,273
Agency / Third Party	460	782	0	1,242
Transfer Payments	79,553	0	0	79,553
Support Costs	869	3	5	877
Capital Costs	0	0	0	0
<b>Total Expenditure</b>	<b>114,790</b>	<b>2,049</b>	<b>667</b>	<b>117,506.00</b>
<b>Income</b>				
Government Grants	81,985	0		81,985
Fees & Charges	3,249	0		3,249
Internal Charges	2,867	0		2,867
Contribution	1,574	0		1,574
Rent	0	0		0
Interest & Dividend	0	0		0
Depreciation Offset	0	0		0
<b>Total Income</b>	<b>89,675</b>	<b>0</b>	<b>0</b>	<b>89,675</b>
<b>2020-21 Net CBPP Budget</b>	<b>25,115</b>	<b>2,049</b>	<b>667</b>	<b>27,831</b>
<b>Recharges</b>				<b>-10,387</b>
<b>2021-22 FCB Budget (Before Savings)</b>	<b>25,115</b>	<b>2,049</b>	<b>667</b>	<b>17,444.00</b>
<b>Savings</b>				<b>-3,118</b>
<b>2021-22 FCB Budget</b>	<b>25,115</b>	<b>2,049</b>	<b>667</b>	<b>14,326.00</b>



**2020/21-2021/22-Directorate of Corporate Resources Variation Analysis**

	£000's	£000's
<b>ORIGINAL APPROVED BUDGET 2020/21</b>		<b>13,011.50</b>
Less Recharges Received	3,280.90	
Add Recharges Made	12,817.90	9,537.00
<b>ORIGINAL CBPP BUDGET 2020/21</b>		<b>22,548.50</b>
2020-21 Budget Virements	2,812.10	2,812.10
<b>REVISED CBPP BUDGET 2021/21</b>		<b>25,360.60</b>
<b>Corporate Changes</b>		
Inflation	329.30	
Superannuation changes	0.00	
Insurance	6.90	
Non COVID ongoing pressures	2,000.00	
		<hr/> 2,336.20
<b>Demand Led</b>		
Increments	-58.90	
Departmental demand	58.90	0.00
		<b>27,696.80</b>
<b>CBPP BUDGET 2021/22 (excluding savings)</b>		
<b>Savings</b>		<b>-3,118.00</b>
<b>CBPP BUDGET 2021/22 (including savings)</b>		<b>24,578.80</b>
Add Recharges Received		3,387.00
Less Recharges Made		13,774.40

**21-22 Savings Options**

OPTION	BUDGET 2020/21	SAVINGS 2021/22	NOTES
	£'000	£'000	
Review of model of financial support services across the council, maximising the benefits of new Oracle IT system	1,965	446	Detailed review to come forward in 21-22
Align Council Tax hardship budget to expected demand	400	100	Approval Sought in this report
Council Tax support scheme increased top slice	115,800	900	Approved in the LCTS report
LWP Budget focus on fuel poverty support to residents	500	100	Approval Sought in this report
Review of Legal and Democratic Services	1,514	200	Detailed review to come forward in 21-22
Review School Appeals processes and provision	36	36	Detailed review to come forward in 21-22
New model for One Stop Shop/Contact Centre leveraging benefits of new systems	2,542	234	Detailed review to come forward in 21-22. Approval sought for non pay budgets
Merge Overpayment Recovery with Accounts Receivable	285	23	Detailed review to come forward in 21-22.
Review of model of HR support across the council, maximising the benefits of new Oracle IT system	1,701	396	Detailed review to come forward in 21-22
Merge Support Services with Publishing Services	356	128	Detailed review to come forward in 21-22. Approval sought for non-pay budgets in this report
Review of Marketing, Events, Communication & Mayoralty	1,601	1,129	Detailed review to come forward in 21-22
Review of Neighbourhood Management and Area Forums	672	150	Detailed review to come forward in 21-22
Review of Community Safety	499	125	Detailed review to come forward in 21-22
MRP re-profiling	6,500	1,953	Approval Sought in this report
Levy budgets	39,800	540	Approval Sought in this report
Corporate benefits budgets	0	151	Approval Sought in this report
Pay modelling balance	820	820	Approval Sought in this report
<b>Total Savings Options for Directorate of</b>		<b>7,431</b>	

<b>Corporate Resources</b>		
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Appendix E

**Capital Programme-Stronger Communities**

<b>Directorate of Place Capital Programme</b>	<b>21/22</b>
	<b>£</b>
Full Fibre Network	261,666
<b>Total</b>	<b>261,666</b>