
Environment and Communities Scrutiny Committee

11 January 2021

Summary of budget proposals for 2021/22

Report by Director of Law and Assurance

Electoral divisions: All

Summary

This report outlines plans for progressing those savings proposals relevant to the business of the Committee which were approved by Cabinet in November 2020 for further work and for future consideration as part of budget development. The November Comprehensive Spending Review and the December local government financial settlement are currently being taken into consideration and will lead to a review of the need for these savings proposals as part of budget planning. The Committee will receive an update on the position at the meeting.

In the event that the savings referred to in the report remain for active consideration the Committee is asked to note the plans for consultation and later consideration of the proposals and to provide comments for consideration by the Cabinet as part of the Council's budget planning for 2021/22.

A further all-member session on the budget will take place on 14th January at which the Council's financial position in light of the financial settlement will be presented.

Focus for Scrutiny

The Scrutiny Committee is invited to note the timetable for the proposals and, in light of any further information following the local government financial settlement, to:

1. Comment on the plans for consultation and identify any additional consultation or engagement activity to inform future decisions on the proposals.
2. Identify which of the proposals should be scrutinised and what further information or advice the Committee may require for such scrutiny.

Proposal

1 Background and context

- 1.1 The Medium Term Financial Strategy (MTFS) has been under review since the summer of 2020, leading to a second members' budget workshop on 22nd October 2020. A further member budget session is planned for 14th January.

- 1.2 The County Council faces a particularly challenging set of circumstances this year, not least of which is the financial impact arising from the Covid-19 pandemic, both in 2020/21 and in terms of any on-going impact in future years, but also in terms of the scale of the pressures for growth in the budget and the continued uncertainty about future funding.
- 1.3 One of the responses to this impact has been to develop a Reset Plan, in conjunction with partners, details of which are in a separate item on this agenda.
- 1.4 The principles underpinning the approach to setting the budget approved by the Cabinet in November 2020 remain:
 - The budget will be sustainable in future years
 - There will not be an on-going reliance of reserves
 - Any use of reserves to balance the budget will be repaid
 - The budget will support the priorities of the reset plan and reflect the need for service improvement and redesign over the medium term
 - The council's financial planning will cover a period of at least four years
 - Estimates will be used for pay and price inflation and additional costs
 - Any future loss of specific government grant will mean stopping of expenditure on outcomes previously financed by the grant
 - The budget process will seek to ensure the council is providing value for money, increased productivity and is clear about return on investment

National Context

- 1.5 The Government announced its one year Comprehensive Spending Review on Wednesday 25th November. This was followed by the publication of the Local Government Settlement in mid-December with detail of the funding of local government in 2021/22, including options for grant funding and any flexibility for increasing council tax. The details of these announcements are currently being examined and will inform further consideration by the Cabinet of the budget proposals ahead of the all member session on 14th January and the Cabinet meeting on 22nd January 2021.
- 1.6 Continued uncertainty about the funding of local government in the early stages of budget planning meant that the Council needed to identify options for possible savings and to commence work on them in case they were required for a balanced budget for 2021/22. All local authorities are required by statute to set a balanced budget each financial year.

2 Proposal details

- 2.1 The options for savings were presented to Members for comment as part of the budget workshop held on 22nd October. These were identified as necessary to assist in bridging the potential budget gap and therefore requiring active consideration whilst the local government funding settlement was awaited. Initial work on the proposals was endorsed by Cabinet on 24th November 2020. It was expected that the proposals would be further reviewed by the Cabinet ahead of the approval of the budget for recommendation to the Council in February.
- 2.2 A number of savings proposals were presented by the Cabinet Members whose portfolios are scrutinised by this Committee. Those are summarised below.

2.3 Table 1. Savings Proposals Relevant to the Scrutiny Committee

Savings Proposals	Full year value
Cabinet Member for Environment	
1. Introduce measures to reduce the amount of DIY waste presented at Household Waste Recycling Sites (HWRS)	250
2. Review of the HWRS network	95
Sub-total	345
Cabinet Member for Fire & Rescue and Communities	
3. Working with parish councils in specific areas to review the library service offer	70
4. Removal of Community Initiative Fund (CIF) and review of CLC arrangements	248
Sub-total	318
Cabinet Member for Highways and Infrastructure	
5. Reduction in discretionary bus passes	200
6. Review highway and transport fees and charges	200
7. Reduce public transport support	150
Sub-total	550

2.4 The following steps remain to progress the budget:

December 2020	Ministry of Housing, Communities & Local Government Finance Settlement to be analysed and implications clarified.
January 2021	Scrutiny Committees to review plans for proposals as developed
14 th January 2021	Member Day on the budget proposals including the capital programme and in light of finance settlement
20 th January 2021	PFSC review of the budget proposals and capital programme
22 nd January 2021	Cabinet decision on the budget proposals and capital programme
12 th February 2021	County Council to approve the revenue budget and capital programme

3 Consultation, engagement and advice

- 3.1 None of the budget savings proposals has been approved for implementation. Plans for consultation are being formulated in relation to each of the options confirmed for further consideration and which trigger a requirement for such consultation. The Forward Plan will set out which proposals will lead to formal consultation arrangements. Stakeholder and specific customer engagement will also be considered where it will help to provide the fullest information base for

future decisions in specific areas and those proposals will also be suitably identified within the Forward Plan.

3.2 All proposals will be available for further Member scrutiny in line with the usual arrangements prior to the final consideration by the Cabinet.

3.3 For the proposals relating to the portfolios relevant to the business of this Committee the consultation plans are as follows:

Proposal	Consultation plan	Timetable
Reduce DIY waste	Public Consultation for earlier decision on this proposal to be refreshed and options considered in light of impact on wider council reset priorities.	Commence after January. Not likely to be completed prior to June 2021.
Review HWRCs	Public Consultation and contractual discussions with provider. Options to be considered in light of impact on wider council reset priorities.	Commence after January. Not likely to be completed prior to June 2021.
Parish council plans for libraries	Discussions with relevant Parish Councils expressing an interest in joint initiative. No firm options to consider at this stage.	Initial discussions not likely complete before June 2021.
CIF and CLCs	All members to be consulted January. Parish Councils and community groups to be consulted on options for future local community and residents engagement as alternatives to CLCs. All member consultation.	CIF for inclusion in January budget decision. CLC review planned for Summer 2021
Discretionary bus passes	Full consultation with affected community groups Full equality impact assessment	Options and review of consultation after June 2021
Fees and Charges	To be included in standard annual review of fees and charges to include scrutiny.	Included as part of standard fees and charges process.
Public Transport subsidy	Full consultation with affected community groups and businesses.	Options and review of consultation after June 2021

4 Finance

4.1 The financial implications are covered within the body of the report.

5 Policy alignment and compliance

5.1 The approach is in alignment with the Reset Plan for West Sussex County Council and addresses the delivery of a balanced budget for 2021/22 in line

with the principles approved by the Cabinet in November 2020 and accordance with statutory duty. Equality impact assessments will be undertaken as advised.

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Background papers

None