



Date of Meeting	29 October 2019
Portfolio	Cabinet Member for Finance
Report Author	Julie Murphy
Public Document	

Savings Programme 2020/21 to 2021/22

Executive Summary

1. This report provides Cabinet Members with:
 - Recommendations regarding Savings Proposals in order to meet the budget gap for 2020/21 and 2021/22.

Recommendation

- 2.1 It is recommended that Cabinet considers and notes the saving proposals contained in this report, and for those proposals which require consultation, note the timetable and process detailed in the report.

Reason for Recommendation

- 3.1 Cabinet members are required to recommend a balanced Revenue Budget and Capital Programme 2020/21 to Budget Council and provisional budgets for 2021/22 to 2022/23. The Council is required to set a balanced budget for 2020/21 by the 11 March 2020. To enable the achievement of this statutory requirement savings proposals are considered to reduce the expenditure of the Council.

Key Points for Consideration

4.1 Timetable

- 4.1.1 The Budget process begins in July with approval, by Cabinet, of the assumptions and principles on which the budget is to be based. These are used as a part of the determination of the overall budget position and are currently being incorporated into Service budgets.

4.1.2 Throughout the year we will consult on the budget and savings proposals. Financial projections are updated as further information becomes available from Central Government and other changes, including local decisions. The updated budget and feedback from consultations are reported back to Cabinet during the year and in February 2020 with recommendations for Budget Council, who will in turn set the budget. The timetable for the Revenue Budget and Savings Programme is provided at Appendix 1.

4.1.3 Savings proposals that will not meet the Savings Programme timetable will be implemented through the Council's decision making processes.

4.2 Savings Programme 2020/21 to 2021/22

4.2.1 Budget Council 27 February 2019 approved provisional budgets for 2020/21 and 2021/22. The budget position of the Council is reviewed throughout the budget process as more information becomes available. Cabinet received the first update in July and a further update will be provided elsewhere on this agenda.

4.2.2 During April to September Directorates have engaged in producing the saving proposals contained in this report for Cabinet Members to consider. A number of Budget Review Sessions have been held where officers and members have scrutinised service functions, finance and performance matters for each Directorate to inform the process and support the delivery of a balanced budget for 2020/21.

4.2.3 Saving Proposals are classified as follows:

- Saving proposals not requiring consultation;
- Service Delivery proposals requiring public / stakeholder consultation;
- Workforce proposals requiring workforce consultation;
- Service Delivery with Workforce implication proposals requiring public / stakeholder consultation prior to workforce consultation.

4.2.4 Savings proposals are submitted to Cabinet and the Integrated Commissioning Board (ICB) for approval to consult on 29 October 2019. Table 1 summarises the savings proposals being considered within this report to contribute towards meeting the budget gap for 2020/21 to 2021/22.

Table 1 Savings Proposals 2020/21 to 2021/22

	2020/21		2021/22	
	Ongoing	One Off	Ongoing	One Off
	£m	£m	£m	£m
Cabinet Approval				
Proposals not requiring consultation	-2.424	-0.220	-0.358	-0.225
Service Delivery	-0.062	0.000	0.000	0.000
Workforce	-0.187	0.000	-0.030	0.000
Service Delivery/Workforce	-0.033	0.000	0.000	0.000
	-2.706	-0.220	-0.388	-0.225
Intergrated Commissioning Board Approval				
CCG	-9.260	0.000	0.000	0.000
Adult Care	-1.300	-0.060	-0.998	0.015
Public Health	-0.307	-0.153	0.000	0.000
	-10.867	-0.213	-0.998	0.015
Overall Total	-13.573	-0.433	-1.386	-0.210

- 4.2.5 The proposals not requiring service consultation are proposals which:
- Identify alternative financial resources to continue providing the service;
 - Generate additional income for the Council without impacting on users;
 - Improve the efficiency in service delivery.
- 4.2.6 The proposals which do not require consultation generate on going savings of £2.424m and £0.220m one-off savings in 2020/21, and a further £0.358m ongoing and £0.225m one-off savings in 2021/22, and are detailed in the private report provided separately on this Agenda.
- 4.2.7 Saving proposals with Service Delivery implications totaling £0.062m in 2020/21 will be subject to consultation from 30 October 2019 with either the public and/or stakeholders as appropriate and are detailed in the private report provided separately on this agenda.
- 4.2.8 Savings proposals with Workforce only implications totaling £0.187m in 2020/21 and a further £0.030m in 2021/22 will be subject to consultation from 30 October 2019 with affected employees and the Trade Unions through the Service consultative groups these proposals are detailed in the private report provided separately on this agenda. Following consultation these proposals will be implemented through the Council's Delegated Decision Making process and will not come back to Cabinet for approval to implement.

- 4.2.9 Savings proposals with Service Delivery and Workforce implications totaling £0.033m in 2020/21 will be subject to consultation from 30 October 2019 with the public and/or stakeholders as appropriate when this consultation has concluded workforce consultation will commence as detailed in 4.2.9 above. These proposals are detailed in the private report provided separately on this agenda.
- 4.2.10 The savings proposals for approval by the Integrated Commissioning Board include a number of Clinical Commissioning Group (CCG) pipeline projects, which may be subject to change.
- 4.2.11 A report detailing the outcome of consultation will be submitted to Cabinet 12 February 2020.

4.3 Alternatives Considered

- 4.3.1 The Council is legally obliged to set a balanced revenue budget. The budget setting process is complex and must be undertaken in a planned way. Whilst budgets are prepared in accordance with the approved guidelines a number of alternative options relating to savings proposals and budget pressures are considered as part of the overall budget setting process.
- 4.3.2 Consideration has been given to a number of options in putting forward the savings proposals contained in this report and the individual reports outline any alternatives considered. To do nothing was not considered to be an option as the Council is legally required to set a balanced budget.
- 4.3.3 Cabinet Members could decide not to implement these proposals and provide alternative options to enable a balanced budget to be achieved.

Costs and Budget Summary

- 5.1 Financial implications are considered in the main body of the report.

Risk and Policy Implications

- 6.1 The Council is required to set a lawful budget for 2020/21 by the by 11 March 2020 and there is a risk if we do not responsibly put forward proposals for consideration to meet the budget reductions/pressures.
- 6.2 Risk implications have been added where applicable within individual detailed reports. To manage this risk we will supply Cabinet members with copies of all available implications to make informed decisions.
- 6.3 Where relevant, specific legal issues have been identified in the individual savings proposal reports. Legal advice has also been provided in relation to

the Equality Act duties, and recent case law decisions on both consultation requirements and equality impact assessments.

Advice has been provided on the following:

- The need to ensure that service reductions do not constitute a failure on the part of the Council to fulfill statutory duties.
- The need to be aware of contractual arrangements with third parties which can only be varied by agreement or which (if that does not prove possible) can only be terminated by substantial notice periods and consider the financial implications of any variations.
- The need to be aware of restrictions which affect property assets. Some have restrictions on usage, some have conditions attached to gifts and planning restrictions might apply. On this last aspect, there needs to be separation of the Council's statutory role from that of property owner.
- Some proposals will involve potential redundancy. This will involve statutory consultations.
- Advice on contractual, procurement law matters (including staff related matters).

6.4

If there are workforce implications arising for the proposals contained within this report, these are summarised below:

- Some of these proposals could potentially result in a reduction in the number of established posts within the Council and depending on the outcome of consultation and final decisions made these will be deleted as a consequence of these proposals via the Delegated Decision Making process.
- The Council will apply its established policies and procedures to identify which posts are identified as potentially redundant and which employees will be placed at risk of redundancy. This will include the application of the Council's redundancy selection criteria where appropriate.
- Where posts proposed to be deleted are occupied the employee(s) concerned will become at risk of redundancy and will be provided with the appropriate support.
- Through the application of these policies and procedures, the Council will where possible seek to minimize the number of employees who may be compulsory redundant. In this respect, the Council will seek to provide suitable alternative employment and will seek to achieve reductions by voluntary measures wherever possible, by seeking volunteers for early retirement/voluntary redundancy in areas where staff are affected by the proposals.
- The proposals will be subject to full consultation with staff and trade unions in line with statutory requirements. It is considered that the total number of jobs affected during the budget setting process is likely to be below 100. The Council is preparing to comply with the required statutory minimum consultation period of 30 days for less than 100 redundancies

before making final decisions on its proposals. In addition, the Council will also ensure that the consultation process is meaningful and commences when potential redundancies are contemplated, that full consideration is given to the outcome and any comments received before final decisions are made regarding implementation, which are also legal requirements.

6.5

Equalities Impacts

The Council is required to assess/analyse the potential effect on quality of its proposals at each stage of the process. Equality Impact Assessments (EIA) have been undertaken and for all relevant proposals the EIAs have been produced for Members for consideration. The Council must consider these assessments and have due regard to the general equality duty in the decision making process.

The Equality Impact Assessments (EIA) is a working document which is to be continually developed from the onset of the development of the proposal to the consultation and then the final decision making stage. This means that as further details become available through consultation, the EIA is updated and finalised before a final decision is reached.

6.6

Workforce Equality Impact Assessment

A workforce impact assessment will be undertaken to understand how the overall proposals affect the make-up of the workforce.

The Council undertook a workforce EIA for the savings process in previous years. The same analysis will be undertaken for the cohort of staff affected by the savings proposals in 2020/21 and 2021/22. A full equalities impact assessment will be undertaken following the implementation of the savings proposals, at which point we may need to revisit our equalities action plan or other policies.

Consultation

7.1 Consultation is to be undertaken with stakeholder groups, staff and service users as appropriate. Consultation will commence on 30 October 2019 and end on 13 December 2019.

7.2 The report will be presented for consultation to Corporate Overview and Scrutiny Committee on 28 October 2019.

Background Papers	Place of Inspection

For Further Information Contact:	Julie Murphy, Tel: 01706 925174, Julie.murphy2@Rochdale.Gov.UK
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Appendix 1

Revenue Budget and Savings Programme Timetable

Date	Meeting/Event	Purpose
2019		
October	Key Meetings	Informal Cabinet 15th October Corporate O&S 28th October Cabinet 29th October Integrated Commissioning Board (ICB) 29th October 1. Discretionary Fees & Charges 2020/21 for consultation 2. Savings Programme 2020/21 to 2021/22 for consultation 3. Revenue Budget Update 2020/21 - 2022/23 4. MTFS 2020/21 - 2024/25
	Consultation	Consultation Starts 30th October (45 days)
November	Key Meetings	Informal Cabinet 5th November Corporate O&S 26th November Cabinet 3rd December 1. Capital Programme 2020/21 to 2022/23 - for consultation
	Consultation	13th December formal consultation ends
2020		
February	Key Meetings - post consultation	Informal Cabinet 4th February Corporate O&S 11th February Cabinet 12th February Council 26th February
	Post consultation reports	1. Treasury Management Strategy 2020/21 2. MTFS 2020/21 - 2024/25 3. Local Government Act 2003 4. Revenue Budget and Council Tax 2020/21 5. Revenue Budget Update 2020/21 - 2022/23 6. Capital Investment & Disposal Strategy 2020/21 7. Savings Programme 2020/21 - 2021/22 post consultation 8. Capital Programme 2020/21 - 2022/23 post consultation 9. Discretionary Fees & Charges 2020/21 post consultation