

Report Title:	Budget 2021/22
Contains Confidential or Exempt Information?	No - Part I
Member reporting:	Councillor Hilton, Lead Member for Finance and Ascot
Meeting and Date:	Infrastructure Overview & Scrutiny Panel – 19 th January 2021
Responsible Officer(s):	Adele Taylor, Director of Resources & S151 Officer
Wards affected:	All

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REPORT SUMMARY

1. As part of the budget process the views and comments of Overview and Scrutiny Panels are sought on the growth and pressures including those for Covid-19, savings, fees & charges and capital schemes that are relevant to their panels. These comments will be reported to Cabinet with the budget report in February 2021.
2. This report provides the context against which Members are asked to consider these proposals following the full draft budget considered by Cabinet on 17th December 2020.
3. Like many councils the Royal Borough faces a challenging financial position, mainly as a result of Covid-19 uncertainty continuing into 2021/22.
4. The relatively low level of reserves held by the Royal Borough means that it has less options to adjust to new financial challenges in the short term than some other councils.
5. The Council Tax is proposed to increase by 2% plus an additional 3% adult social care precept.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATIONS:

The Communities Overview & Scrutiny Panel is asked to comment on:

- (i) The proposed pressures and growth set out within Appendix A
- (ii) The proposed Covid-19 pressures set out within Appendix B
- (iii) The proposed savings set out within Appendix C
- (iv) The proposed fees & charges set out within Appendix D
- (v) The proposed new capital schemes as set out in Appendix E

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 This report sets out the context for Overview and Scrutiny Panels to consider:

- (i) Growth and Pressures (ongoing)
- (ii) Covid-19 pressures
- (iii) Savings proposals
- (iv) Changes to Fees & Charges
- (v) Proposed new capital schemes

3. KEY IMPLICATIONS

Table 2: Key Implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Services delivered within approved budget	Budget overspend >£250,000	Budget variance +/- £250,000	Budget underspend >£250,000 <£1,500,000	Budget underspend >£1,500,000	31 March 2022

4. FINANCIAL DETAILS / VALUE FOR MONEY

4.1 Introduction

4.1.1 This budget is set during a period of considerable uncertainty in the medium term, mainly due to the ongoing impact of the Covid-19 global pandemic. Additional one-off funding for Covid-19 has been allocated from MHCLG in the December 2020 local government settlement for 2021/22. This budget includes the projected Covid-19 costs for the whole of 2021/22 and projected funding from the potential sales, fees and charges compensation that could be claimed against lost income up to and including quarter 2 of 2021/22.

4.2 Financial Context

4.2.1. Like many councils, the Royal Borough faces considerable financial challenges, however, the Council's level of reserves are low which means that it has less time and potentially fewer options than others to bring its budget into balance.

4.3. Policy Context

4.3.1. The Council will still be spending over £100m in 2021/22 delivering services to the residents of Windsor and Maidenhead and investing in the future of the borough through major capital schemes.

4.3.2. It is important that the Council considers how best it can continue to meet its policy objectives within the tighter financial constraints that it faces.

4.3.3. This will undoubtedly require a level of prioritisation and these budget plans focus on the following key policy objectives: -

- (i) Protecting the most vulnerable and ensuring that the Council can continue to meet its significant and growing commitment on Children's and Adults Social Care.

- (ii) Creating opportunities across the borough and continuing to invest in its regeneration and development.
- (iii) Enabling the Council to meet its existing capital commitments as well as starting to invest in new technology to help it become more efficient in the future.
- (iv) Ensuring that the council adopts a more sustainable and carbon neutral approach to the environment.

4.3.4. These policy objectives are not achievable without sustainable council finances and the proposals within this report have been developed to help make the finances of the Council more sustainable in the short term as well as starting to plan for the medium to longer term.

4.3.5. As part of this the Council has had to consider the affordability of the services it provides by ensuring that the users of services meet a greater share of the cost of the service they receive as happens in many other councils.

4.4. Revenue Budget extract

4.4.1 The revenue budget extract for this Overview and Scrutiny panel to review and comment on is shown in the table below. The increased revenue budget required in 2021/22 for these services of £3,359,000 is predominantly as a result of parking pressures and Covid-19 projected costs for lost car parking income as shown in Appendix A and B.

REVENUE BUDGET 2021/22			
DIRECT COST SUMMARY	2019/20 Actual	2020/21 Budget	2021/22 Budget
	£000	£000	£000
INFRASTRUCTURE OVERVIEW & SCRUTINY PANEL			
Highways & Other Comissioned Infrastructure	8,022	7,229	6,994
Parking	(5,647)	(7,044)	(3,672)
Infrastructure, Sustainability & Transport	1,386	1,336	1,558
TOTAL EXPENDITURE	3,761	1,521	4,880

4.5. Budget Pressures

4.5.1. 2021/22 growth and pressures are expected to total **£3,124,000** for the whole Council. The non Covid-19 growth and pressures for this panel to review totalling £600,000 are shown in full detail in **Appendix A**. Growth within the Council as a whole is driven by a number of factors:

- a) **Demographic changes** – as the population of the Royal Borough increases, demands on its services will also increase. To an extent this will be matched by additional council tax and business rate income.

- b) **Spending pressures on Children’s Services** are placing increased pressure on council budgets
- c) **Under-delivery of savings** – some of the savings identified for 2020/21 have not been delivered and therefore have an impact on the 2021/22 budget.
- d) **Under-achievement of income targets** – in some cases it has not been possible to deliver increased income even by setting higher charges.

4.6. Covid-19 Pressures

4.6.1 2021/22 projected Covid-19 growth and pressures for the whole Council total **£9,251,000**. The Covid-19 costs for this panel to review are £2,330,000 for loss of car parking income, as shown in **Appendix B**.

4.7. Savings

4.7.1. In total the Council proposes to deliver **£7,935,000** of savings. The proposed savings for this panel to review, totalling £604,000 are shown in detail in **Appendix C**.

4.8 Income

4.8.1 The proposed fees and charges for 2021/22 for this panel to review are shown at **Appendix D**.

4.8.2 Overall the following principles have been used to review fees and charges:-

- a) **Charges should be broadly in line with other neighbouring councils** – in some cases charges set by the council are lower than neighbouring councils. Charges have therefore been reviewed to bring them into line with other councils.
- b) **Charges should reflect cost increases incurred by the Council**, accordingly the majority of charges have been increased by approximately 1.6% in line with estimated inflation.
- c) **Charges should recognise demand for the service** – in some cases where income is falling, increasing charges can have a negative impact on overall income.

4.8.3 The estimated fees and charges income for 2021/22 for services within this panels remit are as follows. Revisions to fees and charges will be approved as part of the final budget process.

Service	Budget 20/21	Change **	Projected Covid-19 effect	Budget 21/22	Average % increase in Fee charges
	£'000	£'000	£'000	£'000	
Parking	10,244	(340)	(3,070)	6,834	TBC
New Roads and Street Works Inspections/Permit	720	112	(100)	732	1.6

Highway Licences	292	5	(100)	197	1.6
Temporary Traffic Regulation Orders	154	2	0	156	1.6

4.9. New Capital Schemes for 2021/22

The new capital schemes for review and comment by this panel are shown in **Appendix E**.

5. RISK MANAGEMENT

- 5.1. Given the level of financial uncertainty and current service pressures, there is clearly a risk that the current budget may prove difficult to deliver.
- 5.2. This risk has been mitigated by trying to ensure that budget estimates are realistic and reflect current activity, along with known demographic and economic pressures.
- 5.3. A key risk for the council is that its finances are not sustainable in the long term and it does not have enough reserves to enable it to effectively manage the financial risk that it faces in the medium term.

6. POTENTIAL IMPACTS

- 6.1. This report contains a number of proposals related to staff or service provisions and may involve changes to policy or service delivery. Equality impact assessments have been completed where appropriate.

7. CONSULTATION

- 7.1. Public consultations are currently taking place with a closing date of 29th January. Staff and unions are also being consulted on the budget proposals.

8. TIMETABLE FOR IMPLEMENTATION

- 8.1. Residents will be notified of their council tax in March 2021. Budgets will be in place and managed by service managers from 1 April 2021.

Table 3: Implementation timetable

Date	Details
By 31 March 2021	Residents notified of their council tax.
1 April 2021	Budgets will be in place and managed by service managers.

9. APPENDICES

- 9.1. The table below details the Appendices to this report

Appendix	
A	Non Covid-19 Pressures and growth
B	Covid-19 Pressures and growth
C	Savings
D	Fees and Charges
E	New Capital schemes

10. BACKGROUND DOCUMENTS

10.1. None

11 REPORT HISTORY

Decision type: Key decision	Urgency item? No	To Follow item? Not applicable
Report Author: Andrew Vallance, Head of Finance		