

**Classification:** Public

**Key Decision:** No

## Gravesham Borough Council

**Report to:** Cabinet  
Overview Scrutiny Committee

**Date:** 06 January 2020  
16 January 2020

**Reporting officer:** Stuart Bobby, Director (Corporate Services)  
- On behalf of the council's Management Team

**Subject:** Balancing the Budget – Update on Service Review Options  
and Additional Budget Initiatives Identified

### **Purpose and summary of report:**

To provide Members of the Cabinet with an update on progress that has been made in delivering the options previously identified in terms of the Service Review Process and the additional Budget Initiatives agreed.

### **Recommendations:**

Cabinet Members are asked to:

1. Note the progress that has been made in terms of the approved Service Review and Budget Initiatives as set out in appendix two to the report.
2. Agree that, moving forward, any outstanding Service Review or Budget Initiatives to be managed through the operational Business Plans, with updates direct to the relevant Lead Member as required.

### **1. Introduction**

- 1.1 When drafted in early 2016, the Medium Term Financial Strategy 2016-17 to 2019-20 identified that whilst the council was able to draw on its Working Balances to fund its annual revenue budget initially, a residual funding gap of £2.5m would emerge in 2019-20 were the Council to take no action. The Strategy also set out the action to be taken by the council to bridge the funding gap.
- 1.2 The funding gap, and therefore action required by the council, increased by £0.4m to £2.9m, primarily driven by the changes to the design of the New Homes Bonus Scheme. The funding gap was widened by at least a further £1m at budget setting 2018-19 due to the financial impact of low housebuilding rates in the borough, the higher than anticipated staff pay award and lower than expected interest rates.

- 1.3 In response to these financial challenges, the council embarked on a programme of activity in 2016, as documented in its Medium Term Financial Strategy. This was later supplemented by further work strands to extend the council's Property Acquisition Strategy and introduce further Balancing the Budget Initiatives in response to the increase in the further funding gaps identified when setting the budgets for 2017-18 and 2018-19. The total programme of activity followed by the council since 2016 is set out below:

<b>Workstream</b>	<b>Expected Value of Activity (£)</b>
Property Acquisition Strategy (Phase 1)	400,000
Fees and Charges Activity	270,000
Service Review Process Option Implementation	1,430,000
Shared Service Progression	240,000
Budgetary Challenge Measures	200,000
Property Acquisition Strategy (Phase 2)	397,000
Balancing the Budget Initiatives (November 2018)	1,274,000
<b>Total Value of Activity</b>	<b>4,211,000</b>

- 1.4 As agreed, this report provides an update to the Cabinet and Overview Scrutiny Committee on activity towards delivering the service review process options and the balancing the budget initiatives, with the value of the combined activity from these totalling £2,735,870 (the council identified £1,461,870 of activity from the service review process options, £31,870 more than the expected value this workstream).
- 1.5 A further update on progress in delivering all workstreams will be provided as part of the budget setting papers to Cabinet and Overview Scrutiny in February 2020.

## **2. Progress to date - Service Review Process Options and the Balancing the Budget Initiatives**

- 2.1 Appendix three provides an overview of the service review process options and balancing the budget initiatives that were approved, set out across the respective Cabinet Portfolios.
- 2.2 The council has worked effectively to deliver the approved service review process options since 2016 and the approved balancing the budget initiatives since November 2018, with these intended to reduce net expenditure and increase efficiency in the services delivered by the Council while protecting those most valued by the community. The table below shows the level of delivery against these two workstreams, as captured in the budget setting reports of the council in February each year:

<b>Financial year for budget setting</b>	<b>Budget Reductions reflected in the original budget for the year (£)</b>
2017/18	535,000
2018/19	483,000
2019/20	1,002,700
2020/21*	396,400
<b>Total Value of Activity (Service Review and Balancing the Budget Initiatives)</b>	<b>2,417,100</b>

\* as recorded at 4 December 2019

- 2.3 To date a total of £2,417,100 has been delivered i.e. accounted for within the Council's Medium-term Financial Plan, out of the total approved value of initiatives of £2,704,000.
- 2.4 There are a number of initiatives that have not yet been progressed for a variety of reasons, all of which are also detailed within appendix three. Some of the options previously identified are no longer viable or have been progressed in different ways. It is proposed that all viable Service Review and Budget Initiatives that have not yet been implemented are reflected within the specific service areas operational Business Plan monitored by the respective Director and Lead Member. In addition, these will also form part of future budget monitoring reports.

### **3. Next steps and future reporting**

- 3.1 As previously agreed, an information report will be provided to the Overview Scrutiny Committee at its meeting on 16 January 2020.
- 3.2 It is suggested that this report forms the basis of the final update report on the delivery of the Service Review and Budget Initiatives and as such, there will be no further reports to the Cabinet or Overview Scrutiny Committee on the Service Review and Budget Initiatives moving forward.

### **4. Background Papers**

- 4.1 Background papers pertaining to this report are held by the Director (Corporate Services). Anyone wishing to inspect background papers should, in the first place, be directed to Committee & Electoral Services who will make the necessary arrangements.

IMPLICATIONS	APPENDIX 1
<b>Legal</b>	<p>As part of the service review process, a detailed analysis of the statutory nature of the services delivered by the council was undertaken to ensure that the council continues to deliver those services that it has a statutory duty to.</p> <p>There is a need for the council to give due regard to the Duty to Consult where it is required as the council undertakes to fulfil its 'Best Value' Duty. Where it is felt that consultation with either the Public or Officers of the council is required, decisions will be taken in principle subject to the findings from the consultation activities so that this feedback can be taken into account.</p>
<b>Finance and Value for Money</b>	<p>Section one of the report sets out the financial challenge facing the council through the various Bridging the Gap activities, including the Service Review and Budget Initiative process.</p>
<b>Risk Assessment</b>	<p>In implementing any of the options identified, there has been due consideration to any specific risks associated with the initiative at the appropriate time. This will continue for those options that are still to be implemented.</p>
<b>Data Protection Impact Assessment</b>	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>?</p> <p>No – this report provides an update on individual projects and initiatives. A DPIA will be considered for each initiative as required.</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?</p> <p>N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>.</p> <p>N/A</p>
<b>Equality Impact Assessment</b>	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer.</p> <p>N/A - a detailed equality impact assessment has been undertaken for each of the initiatives implemented as required and will continue to be undertaken as necessary.</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.</p> <p>N/A</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>

<b>IMPLICATIONS</b>		<b>APPENDIX 1</b>
<b>Corporate Plan</b>	The balancing the budget initiatives cut across all council services and therefore has a direct impact on the delivery of the council's corporate objectives.	
<b>Crime and Disorder</b>	There are no crime and disorder implications resulting from the decisions to be made within this report.	
<b>Digital and website implications</b>	There is the potential for digital and website implications depending on the initiatives that Members approve. Relevant officers have been involved in the discussions regarding these points and will continue to be moving forward.	
<b>Safeguarding children and vulnerable adults</b>	There are no safeguarding children and vulnerable adults implications resulting from the decisions to be made within this report.	