

<b>OVERVIEW AND SCRUTINY COMMITTEE</b>	<b>DATE</b> 26 Jan 2021	<b>ITEM NO:</b> 7
<b>TITLE</b> Medium Term Financial Strategy 2021/22 to 2024/25	<b>WARD (S)</b> All	
<b>CHIEF OFFICER</b> Director of Finance	<b>CABINET MEMBER</b> Finance and Resources	

## I Decisions required

Overview and Scrutiny Committee is requested to:

- I.1 Note that the impact of a decade of government austerity has led to the council facing around £150m of pressures over that period, when combined with huge demographic demands and price inflation, leading to a structural deficit of £18.5m in gross service spending (Section 3.1)
- I.2 Note the number of properties rated for council tax has grown by less than 1% year on year for the first time in eight years (Section 8.22)
- I.3 Note the effect which COVID has had on employment, with a 12% increase in the number of working age claimants for the Local Council Tax Support Scheme (Section 8.23)
- I.4 Note the impact of the Government's Provisional Financial Settlement and related developments around the MTFS:
  - the Chancellor announced a one-year Spending Round only for 2021/22, which allows certainty for a one-year period
  - the loss of funding of £4.6m from the New Homes Bonus Scheme (Section 8.18)
  - the likely one-year break from the London wide Business Rates pooling arrangement (Section 8.12)
  - the Schools funding position (Section 8.26)
- I.5 Agree to submit any comments to Cabinet on 27<sup>th</sup> January 2021 in respect of the proposed Greenwich investment decisions to provide for demographic and price pressures (£15.1m) (Section 9.3)
- I.6 Agree to submit any comments to Cabinet on 27<sup>th</sup> January 2021 in respect of the proposed fees and charges for 2021/22 (Section 7.21 – Appendix A)

- 1.7 Agree to submit any comments to Cabinet on 27th January 2021 in respect of the proposed income / savings proposals of £10.7m in 2021/22 (Section 10 / Appendix B1)
- 1.8 Agree to submit any comments to Cabinet on 27th January 2021 in respect of the proposed measures to improve outcomes for residents reducing the structural deficit by £2.1m (Section 10 / Appendix B2)
- 1.9 Note the Equality Impact Assessment of Appendices B1 and B2 (Appendix C)
- 1.10 Agree to submit any comments to Cabinet on 27th January 2021 in respect of the proposed that £1.9m residual one-off resources are set aside against pressures occurring in year (Section 8.38)
- 1.11 Note a £42m reduction in the overall resourcing forecast gap, down to £23m by 2024/25 (Section 13.15)
- 1.12 Note the potentially significant financial risks to the MTFs going forward (Section 13.18)
- 1.13 Note the contribution that a Continuous Improvement programme will have upon the authority's residents and finances. (Section 12)
- 1.14 Note the outcome of the results of the public consultation between 23 December 2020 – 17 January 2021 (Section 14)

## **2 Links to the Royal Greenwich Strategy**

- 2.1 This report relates to the delivery of all of the high-level objectives contained within the Royal Greenwich Strategy.

### Budget Principles

- 2.2 Building a Fairer Greenwich, set out in February 2020, has the budget principles outlined in Table 1.

*Table 1 – Fairer Greenwich Budget Principles*

<b>Principle</b>	<b>Description</b>
A Fairer Greenwich	<i>an inclusive economy with financial inclusion reducing poverty, improving life quality and increasing opportunities for disadvantaged residents</i>
Maintaining the highest possible quality and efficient services commensurate with the cuts imposed by Central Government	<i>this underpins a commitment to continuing to provide value for money services and seeking to keep increases in council tax to a minimum</i>
Recognition of front line service pressures	<i>this recognises the prioritisation of key services, in particular those provided to children and vulnerable adults, as well as those that underpin the quality of life in the public realm and support reductions in violent crime</i>
Maintenance of reserves at a prudent level	<i>this allows the Council to maintain and deliver service stability, longer term plans and respond to a range of financial risks and uncertainties, thus supporting the Council's approach to developing its financial standing whilst delivering major capital investment</i>
Investing in and delivering the Growth Strategy	<i>this means maximising, as far as possible, investment and delivery of the Growth Strategy and prioritising interventions which will have the greatest impact on growing the local economy with the consequent benefit for jobs, housing (including New Homes Bonus) and business rate growth</i>
Deepening Financial Resilience	<i>developing new sustainable strategies within a Continuous Improvement context, to manage resources and ensure continuity of service delivery</i>
Effective Governance in the context of diminishing resources	<i>using information about costs and performance to facilitate effective and informed decision making</i>

## 2.3 This report contains the sections set out in Table 2.

*Table 2 – Structure of the Report*

<b>Ref</b>	<b>Section</b>
3	Introduction and Background to Austerity and Local Government Funding
4	National Financial Strategy and the Spending Round (SR20)
5	Medium Term Financial Strategy
6	Impact of Covid19
7	Latest monitoring Position 2020/21
8	Provisional Local Government Finance Settlement 2021/22 and other updates
9	Investment Decisions
10	Savings
11	Options for Balancing 2021/22
12	Continuous Improvement
13	Looking ahead, the updated MTFS and risk.
14	Consultation and Timetable
15	Cross Cutting Issues and Implications
App A	Fees and Charges 2021/22
App B1	Savings proformas
App B2	Cost Reduction proformas
App C	Equality Impact Assessment

## **3 Introduction and Background to Austerity and Local Government Funding**

- 3.1 Since the start of austerity in 2010, the pressures on scarce revenue resources have grown and over the last few years increasing demand from a growing population, complex need patterns, price increases and reduction in funding have combined to a point where Greenwich has £18.5m of service pressures within the system.
- 3.2 The scheme for government funding changed in 2013/14 with the introduction of the business rates retention scheme. Since then, core funding from the government has decreased by £34m (18%) in cash terms (Chart 1). Since 2010, the council has been faced with pressures of around £150m when you take into account cuts to non-core grants, cash frozen grants and the significant demographic demand growth that the borough has faced coupled with price inflation pressures, with inflation up by around 30% over that period. Chart 3.1 excludes Council Tax as this is a locally raised tax.

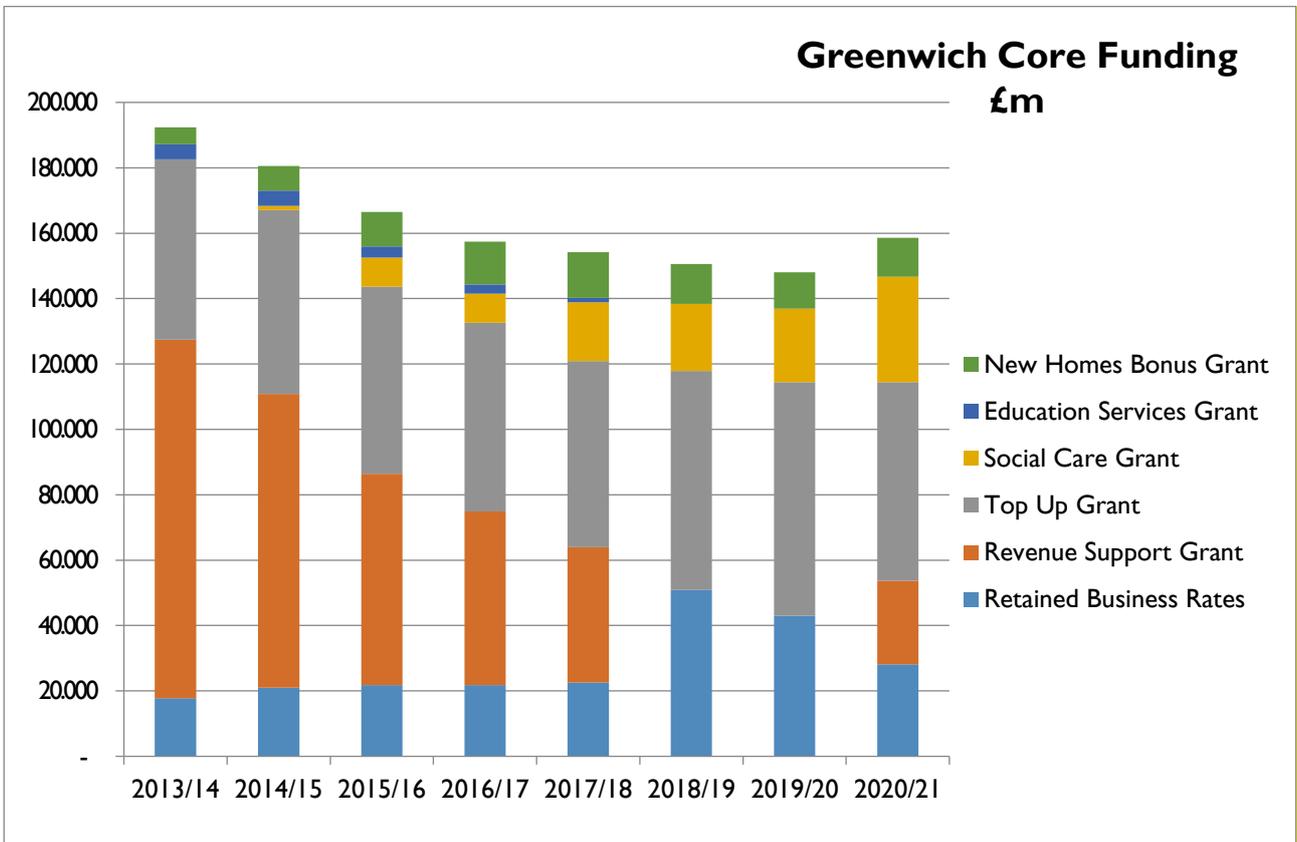


Chart 1: Core Funding 2013/14 to date

3.3 A growing importance has therefore been placed on Council Tax funding, including the Adult Social Care (ASC) Precept (Chart 2).

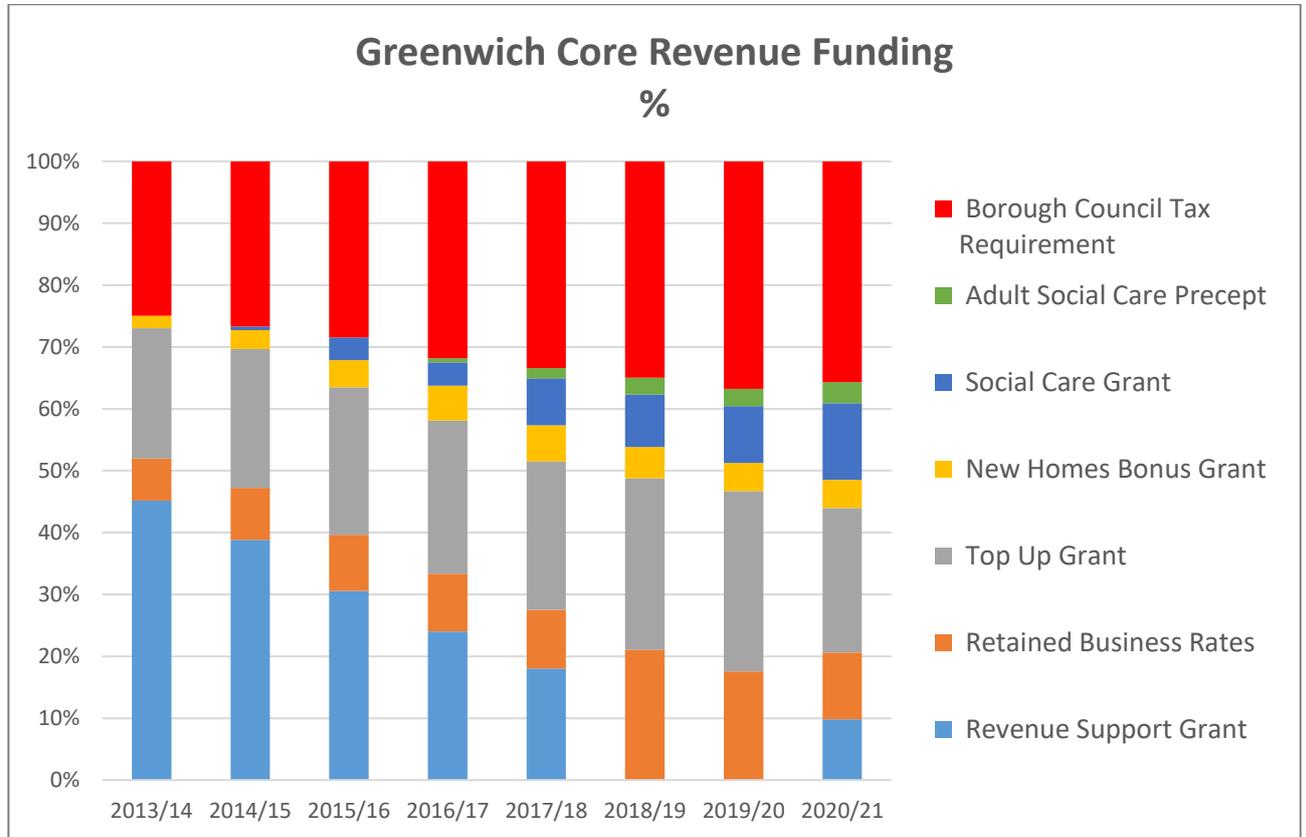


Chart 2: Funding Stream Composition 2013/14 to date

- 3.4 With increasing demand, rising costs and ever decreasing resources – services for vulnerable residents continue to be at risk if this situation continues.
- 3.5 Changes in government policy and the uncertainties created by Brexit and Covid19 is no guarantee that the financial difficulties local authorities face will ease. The policy of the government of “rebalancing” or “levelling up” the national economy is likely to lead to a regional shift in resources away from London and metropolitan areas to other areas within the UK in the medium term.

#### **4 National Financial Strategy and the Spending Round (SR20)**

- 4.1 Due to the uncertainty for public finances caused this year by the economic impact of the Covid19 virus and the imminent end of the Brexit transitional period a one-year spending round was again produced. This was presented to Parliament on 25 November 2020. This one-year Spending Round is reflected for local government in the subsequently issued provisional financial settlement 2021/22 (part 8 refers). The Spending Round also delayed proposed major reforms of the funding system until 2022/23 at the earliest (part 11 refers).
- 4.2 Negotiations concluded a trade deal between the United Kingdom and the European Union on 24 December 2020. The implications on the council’s resources, as well as the wider economic impact, will be kept under review and reported accordingly.

#### **5 Medium Term Financial Strategy**

- 5.1 Medium term financial planning is central to a robust financial management framework and to this end the authority has continued to plan for the medium term, despite a lack of certainty in relation to government funding for the years after 2021/22.
- 5.2 As reported to Council on 23 September 2020, multi-year modelling of many scenarios across key MTFs drivers produced a central path of projections that point to steady growth pressures. The scenario generates a 2021/22 gap of £19m, stretching to £62m (Table 3) over the four-year period.
- 5.3 Even if there were no funding reductions, there is still a considerable potential gap of £16m next year - this demonstrates that the pressures local authorities are facing is relentless, year on year.

*Table 3 - MTFS central forecast (£m)*

<b>MTFS Variable</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>
Brexit / SR20	0	0	0	0
Govt Funding Reduction	5	9	14	19
Inflation (Pay and Other)	6	12	18	25
Demographic / Demand	4	8	12	16
Budget Realignment	5	7	7	7
Total Expenditure Pressures	20	37	51	66
Income - Property Growth	(1)	(2)	(3)	(4)
<b>Total</b>	<b>19</b>	<b>35</b>	<b>48</b>	<b>62</b>

5.4 It is important to note:

- that the main driver surrounds price and demand factors (the forecasts also exclude any new service growth proposals or changes in the level of council tax).
- that possible significant funding reductions beyond 2021/22 are not reflected in the £62m gap.

5.5 The council is taking a twin track approach to resolving the financial gap – on the one hand undertaking measures to reduce the level of the overspend and on the other, balance in year resources.

5.6 To summarise, the overall financial position of the Council in the medium term, as at September, was that the projected overspend across the next 4 years is added to the MTFS scenario modelling and is shown in Table 4 below.

*Table 4 – Summary MTFS (£m)*

<b>Year</b>	<b>Structural Deficit Overspend</b>	<b>New Net Budget Growth (September)</b>	<b>Overall Resource Gap</b>
2021/22	9	19	<b>28</b>
2022/23	6	35	<b>41</b>
2023/24	3	48	<b>51</b>
2024/25	3	62	<b>65</b>

5.7 The Digital Improvement Plan (DIP) that was agreed by Council 23 September is a fundamental part of the ambitious Continuous Improvement Agenda (discussed in Section 11) and has a significant impact on the MTFS – the financial effects of which are included in this update.

## 6 Covid-19

### Government Funding

- 6.1 Central Government has provided over £7.2 billion of additional expenditure funding for local authorities in 2020-21, the majority of it being unringfenced grant, available to respond to local pressures and priorities. There has also been support available with COVID-19-related losses of income, including from sales and fees & charges.
- 6.2 In response to the additional costs arising from responding to the pandemic the Council has received £43.5m of revenue support from Central Government. A further £98.7m has also been received to support businesses in the borough. Broadly speaking, costs incurred in respect of COVID still outstrip funding. The financial position is being continually updated in this fast moving and dynamic pandemic, with the effect of government decisions around tiers, lockdowns, vaccination and testing all having direct financial consequences.
- 6.3 Table 5 details the current additional costs / income foregone identified as part of the most recent MHCLG return.

*Table 5 – MHCLG December COVID return (£m)*

<b>Revenue Impact</b>	<b>Full financial year 2020-21</b>
Expenditure	35.5
Council Tax & Business Rates	13.6
Other income (e.g. sales, fees and charges)	8.7
<b>Total Pressure</b>	<b>57.8</b>

- 6.4 Moving into 2021/22 a further package of COVID funding has been announced:
- £1.55 billion of unringfenced grants to manage the immediate and long-term impacts of the pandemic has been announced, worth £8.9m for Greenwich
  - £670 million Local Council Tax Support Grant, reflecting increased caseloads and welfare support needs, worth £2.8m for Greenwich
  - an extension of the Sales, Fees and Charges income support scheme to June 2021
  - local tax income guarantee to partially subsidise irrecoverable losses incurred by councils on the non-collection of 2020/21 council tax and business rates.

## 7 Latest Monitor for 2020/21

7.1 In the latest monitoring report for 2020/21 to Cabinet in December based on Quarter 2 / Period 6 information, overspend pressures as outlined in Table 6 were presented. A further update will be presented to Cabinet in February.

*Table 6 Forecast Outturn Variance by Directorate – Period 6*

<b>Forecast Spend versus Budget</b>	<b>2020/21 Forecast Business as usual Overspend/ (Underspend) £m</b>
Health & Adults	7.6
Children's Services	0.7
Communities & Environment	7.2
Housing & Safer Communities	4.1
Finance and Legal Services	0.1
<b>Service Total</b>	<b>21.7</b>
<u>Corporate</u>	
No Recourse to Public Funds	1.8
Treasury Management premium	(9.0)
<b>Net Position</b>	<b>14.5</b>
Unallocated budget	(5.0)
<b>Net GF Position</b>	<b>9.5</b>
<b>HRA Position</b>	<b>0.8</b>

7.2 Areas with significant pressures are detailed below.

### Waste and Street Services Pressures

7.3 Overall, Street Services (waste services and street cleansing) and Fleet and Waste Strategy (particularly, waste disposal) experienced a projected overspend of £4.6m. There are a number of reasons for the continued overspend that are primarily the historic structural out of sync financial allocations, the main ones of which are detailed below:

- **Demand** – The number of households in the Royal Borough has increased from 102,651 in 2010 to 120,797 2019/20. Over the same period the amount of municipal waste collected has increased from 106,310 tonnes to 119,868 tonnes. The waste service has sought to service the growth in demand with minimal additional resources (resources have only been provided for one Green, Blue and Black round over this time period) but

this is affecting service performance as resources to cover annual leave, sickness and so on are being depleted. There is also an increased dependence on voluntary overtime to cover scheduled work. There has been a large increase in flats over the last three years, and we have therefore seen a decrease in the average tonnage per household, as flats tend to create less waste than houses. However, on average, flats tend to recycle half as much as kerbside houses resulting in greater proportions of general waste being disposed of and at greater cost. In 2019-20 the average tonnage per household was 0.95 tonnes a year. Projections for 2020/21 indicate that tonnages from new properties will increase as new properties are occupied and increased levels of waste per household due to residents being at home for longer periods during Covid.

- **Waste disposal contract growth/indexation** – Greenwich has long term contracts for its waste disposal requirements costing around £8m per year and rising as properties are built in the borough. Contract tonnage fees are also indexed for inflation, contributing total cost pressures of c.£1.8m since 2010. Budgets have not been uplifted in line with regeneration or inflation. Much of this has been contained by the service, although in recent years this has become increasingly difficult to sustain and has contributed to the service overspends.
- **Street cleansing budget/services** – the Street Cleansing service was transferred into Street Services in 2015/16 without the appropriate budget to cover the staffing establishment or functions being delivered. The service also operates two unfunded taskforce services to collect fly-tipping in hotspot areas. These elements of the service are contributing c.£2.5m to the services overspend.
- **Control of overspend** – The service has worked hard to control the overspend by introducing numerous measures including:
  - restricting access to the Nathan Way Household Waste and Recycling Centre (HWRC) to borough residents only;
  - progressing multiple MTFs cost-reduction measures including:
    - reducing taskforces from 4 to 2 (complete)
    - stopping jet-washing of town centres (complete)
    - stopping clear recycling sacks to residents with bins (complete)
    - introducing fortnightly collections of general waste
  - the methodology for undertaking annual leafing collection has been reviewed
  - the cleansing of the A2/A102(M) has been brought in-house with a contractor providing traffic management services only.

## Homelessness Pressures

- 7.4 Housing and Safer Communities continue to see significant pressures in their General Fund budgets due to provision of Temporary Accommodation (TA) for homeless households. This had continued to see a 4-year growth leading to less options for the provision of this accommodation and therefore the use of more expensive Emergency Overnight Accommodation (EOA). In April 2020 RBG had 1312 households in temporary accommodation which climbed to 1447 by June 2020 but reduced to 1411 by the start of December 2020. Nationally there has been almost a doubling of people in temporary accommodation from 2012 (50,430 source ONS) to June 2020 (98,300 source MHCLG).
- 7.5 Although we have seen an increase in the TA number this year the growth has been less mainly due to the COVID-19 pandemic. During the pandemic the government initially announced a ban on eviction for landlords nationally and then implemented a change that meant landlords needed to give their tenants a 6 months' notice period to leave a property. This has led to stagnation in the market. The result of this has meant that RBGs growth in TA placements has been primarily around Rough Sleepers and not household being evicted from the private rented sector (one of the previous largest drivers of approaches). We do expect to see the impact on this in 2021 however where we expect evictions to increase.
- 7.6 As part of the initial pandemic "Lockdown 1", the Government announced the "Everyone In" policy, whereby all rough sleepers, no matter of eligibility, were to be placed in self-contained accommodation. For RBG this consisted of spare capacity in hotels. Over the period of April to July 2020 RBG placed over 100 rough sleepers into accommodation and have been working to find suitable "move on" accommodation for them. Currently there are less than 20 left in hotel accommodation.
- 7.7 Although the number of households in TA has not increased significantly this year, this use of hotel accommodation has been costly. EOA accommodation for a one bed property is around £35 per night, whereas hotel accommodation is around £65 per night. Although some of this additional cost can be claimed back through benefits or charged to Covid cost centres, it has cost RBG more.
- 7.8 The stagnation in the property market has also meant that households we placed in Temporary Accommodation have stayed in those properties for longer and it has been harder to find appropriate "move on" properties, either into our own housing stock or preferably the private sector. This has

increased the pressure on the budgets as those in TA units are residing there for longer.

## **Management Action**

7.9 Greenwich is taking robust management action in the following areas to control the pressures it faces:

- utilisation of capital receipts to invest for long-term cost-reduction benefits and dampen revenue spend
- austerity measures on staffing and value for money
- departmental savings proposals
- a programme of Continuous Improvement (part 12)
- Health and Adults – end to end review (part 7)

### Health and Adults Services – end to end review

7.10 Increasing demand and rising costs on adult services is a local and national issue, contributing markedly to the financial pressures facing Local Authorities, including Royal Greenwich.

7.11 During 2018/19 the Council introduced a budget recovery process in order to understand and address these on-going budgetary issues across the Council, which commenced with a review of Health and Adults. The review was supported by ongoing work undertaken by the service through LGA sponsored programmes such as “Efficiency through Integration”.

7.12 Following initial review of the service through the Budget Recovery Board an “end to end” whole systems review is to be undertaken, looking at business processes, planning, decision-making and service offer.

7.13 The work in this area, being undertaken by Newton Europe in conjunction with Health and Adults Services staff, will help the council to deliver its statutory responsibility under the Care Act 2014 and offer local people support that ensures an equitable, fit-for purpose, resident focused and sustainable service as it enters and seeks to tackle, the next financial planning period.

7.14 We are currently moving towards the end of the design and implementation phase of this work which has an emphasis on sustainability and delivering better outcomes for residents. Essentially, by utilising a strength-based approach to social care and helping our residents live healthier & independent lives, they are not only able to improve their quality of life and wellbeing, but also reduce the financial impact on the system.

7.15 The key question is “how can we give everyone the opportunity to live a more independent life?”. Issues to consider are:

- the ideal volume of service users who would benefit from reablement
- the potential capacity of our reablement service to meet this demand
- ensuring that long term decisions about care provision are not taken in crisis settings e.g. Hospital
- exploring and developing a clearer picture on our enabling and life skills offering, particularly progression planning for people with a Learning Disability.

7.16 There is the potential to use community-based enablement for current and future residents with learning disabilities that would enable them to live more independent lives. Social support, home skills / cooking, employment and travel are for consideration.

Ensuring there is appropriate capacity and quality of our long-term services, at the right unit cost

7.17 The following areas are being explored to enable this:

- increased capacity in Shared Lives, Sheltered Housing
- quality and cost in Homecare, Supported Living and Residential
- outcomes for residents with Mental Health issues in our care

7.18 To drive service shaping and capability development, the council needs to ensure that it has the right mixture of skills, people and provision to meet the needs of residents.

*Table 7 – Improved Outcomes for Residents Summary*

<b>Theme</b>	<b>£m</b>
More consistent social work practice and decision making, achieved more often	3.8
A strengths-based approach which builds resilience and enables residents to live healthy and independent lives	2.3
Appropriate capacity and quality of our long-term services, at a fair unit cost	1.9
<b>Total</b>	<b>8.0</b>

7.19 The overall conclusion from the diagnostic phase of the work, is that improved outcomes are possible and at a lower cost to the taxpayer. Initial findings show cost reductions of at least £8m net of service costs over the MTFS period. This figure could be higher depending on the levels of success achieved with initial cohorts.

7.20 As inflation on costs and population growth will continue to impact there will need to be other areas of the service that we will focus on for supplying better outcomes and efficiencies over the course of the MTFs. Successful interventions would significantly impact the reduction of the current overspend and future demand pressures.

### Fees and Charges

7.21 These will rise by inflation / ensure full cost recovery (Appendix A).

## **8 Provisional Local Government Finance Settlement 2021/22 and other updates**

### Provisional Local Government Finance Settlement

8.1 The Provisional finance settlement was released by the government on 17 December 2020, reflecting the announcements in the Spending Round (SR20).

8.2 The main points nationally are:

- an increase in Core Spending Power in England from £49.0bn in 2020/21 to £51.2bn in 2021/22 (+4.5%)
- funding for New Home Bonus will decrease by over £285m (-31%) nationally from £907m to £622m
- Social Care Grant funding of £1.710bn, including an additional element for 2020/21 of £300m
- maintaining the improved Better Care Funding Grant
- the main council tax referendum principle remains at 2%
- the flexibility to raise the Adult Social Care Precept will be increased from 2% to 3%
- there is a new Lower Tier Services Grant of £111m

8.3 The final local government finance settlement is likely to be confirmed in late January.

### Core Spending Power

8.4 The Core Spending Power (CSP) amounts have been split across five areas:

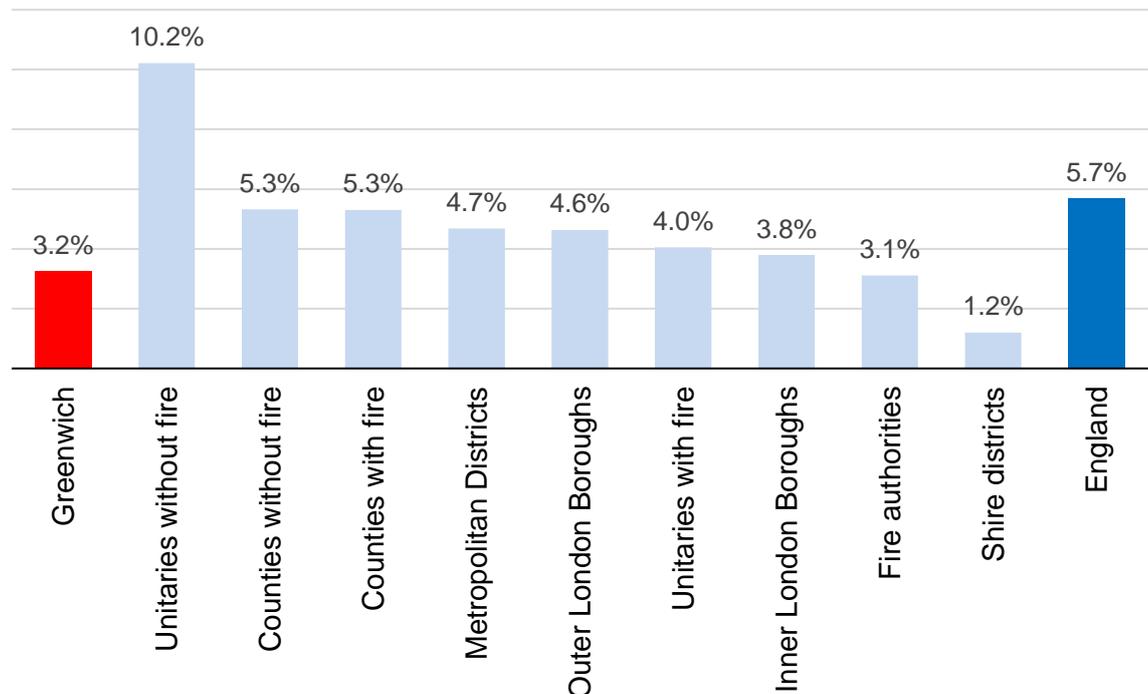
- Settlement Funding Assessment
- Council Tax
- New Homes Bonus
- Specific Grants

8.5 Nationally CSP is forecast to increase by 4.5%, whereas for Greenwich, the rise is 3.2% reflecting a notional increase in resources of £8.1m. The breakdown of the Greenwich CSP is shown in the table below:

*Table 8 – Greenwich Core Spending Power (£m)*

<b>Greenwich Core Spending Power as per MHCLG</b>	<b>Basis</b>	<b>2020/21</b>	<b>2021/22</b>
SFA (including business rates multiplier grant compensation)	Notional	112.4	113.5
Council Tax Requirement excluding parish precepts	Notional	101.7	110.0
Improved Better Care Fund	Actual	15.0	15.0
New Homes Bonus	Actual	11.9	7.3
Social Care Grant	Actual	8.4	11.1
Lower Tier Services Grant	Actual	0.0	0.6
<b>Core Spending Power</b>	<b>Notional</b>	<b>249.4</b>	<b>257.5</b>

8.6 An analysis of CSP increase by local authority class is shown in Chart 3.



*Chart 3: CSP increase by local authority class*

8.7 There is an ever-increasing reliance on council tax within the CSP. The level of assumed income from council tax included in the CSP of local authorities has increased from 49% in 15/16 to 61% in 21/22. This represents an increasing shift of income generation from residents, reducing central government funding to local government.

8.8 Removing council tax from the CSP analysis shows government sourced CSP for Greenwich has in fact fallen in cash terms in 2021/22. Since 2016/17 the fall in non council tax CSP for Greenwich is £7.8m (5.0%).

## Settlement Funding Assessment (SFA)

- 8.9 For 2021/22 the multiplier and Baseline Funding Level (BFL) are to be frozen. RSG is to be uprated in line with CPI inflation. Local authorities will be compensated for the shortfall in income from freezing the multiplier.

### Business Rates Retention

- 8.10 National arrangements for business rates in 2020/21 were based on 50% business rates retention schemes. London - for the third year running – operated a London wide pool, with a 67% rates retention scheme. This pooling arrangement relied on all boroughs agreeing to operate within the pool.
- 8.11 Since the introduction of London pooling in 2018/19 these arrangements have had a beneficial effect on business rates income for Greenwich. However, the Covid19 virus has significantly reduced the advantages of pooling arrangements due to the impact on business rates receipts, to the point that the anticipated risks of pooling in 2021/22 far outweigh the anticipated benefits for most boroughs.
- 8.12 Currently the Pool is awaiting a response by the Government on its request regarding assurances regarding potential losses in 2021/22. The deadline for this passed on 7 January. If no assurances are immediately forthcoming it is probable that there will be a one-year break from the London Pooling Arrangements in 2021/22. The situation will be kept under review, so that if the position stabilizes a London-wide pool may well be viable in future years.
- 8.13 No changes to the actual income in relation to the business rates retention mechanism are proposed, in light of the uncertainty around this income stream.

## Council Tax

- 8.14 The government, in the Core Spending Power calculations, has assumed that not only will local authorities increase their council tax level by the maximum permissible (1.99%) and Adult Social Care the same (3.00%), but they will also have seen their tax-base increase by the same average rate as they have done over the last few years.
- 8.15 The Covid-19 pandemic has had a significant detrimental effect on the economy, which has seen the slowing of housebuilding levels.
- 8.16 As such, the government's expectation is that council tax income will increase by 8.2% (for Greenwich), representing £8.3m of additional income.

## New Homes Bonus (NHB)

- 8.17 The New Homes Bonus is a flexible, non-ringfenced fund, for local authorities to spend as they see fit – from reinvesting it in housing or infrastructure to supporting local services or local facilities.
- 8.18 The provisional settlement contains a significant reduction in the NHB top slice from £907m to £622m, with the government making a new round of allocations for 2021/22. The government retains the current national hurdle / baseline for housing growth at 0.4% of council tax base, below which New Homes Bonus is not paid. Greenwich is in line to receive a reduction of NHB for 2021/22 of £4.648m. Greenwich has the third largest overall reduction in NHB allocation across London (and fourth in the country) – Greenwich's allocations over the last decade are shown in Chart 4.

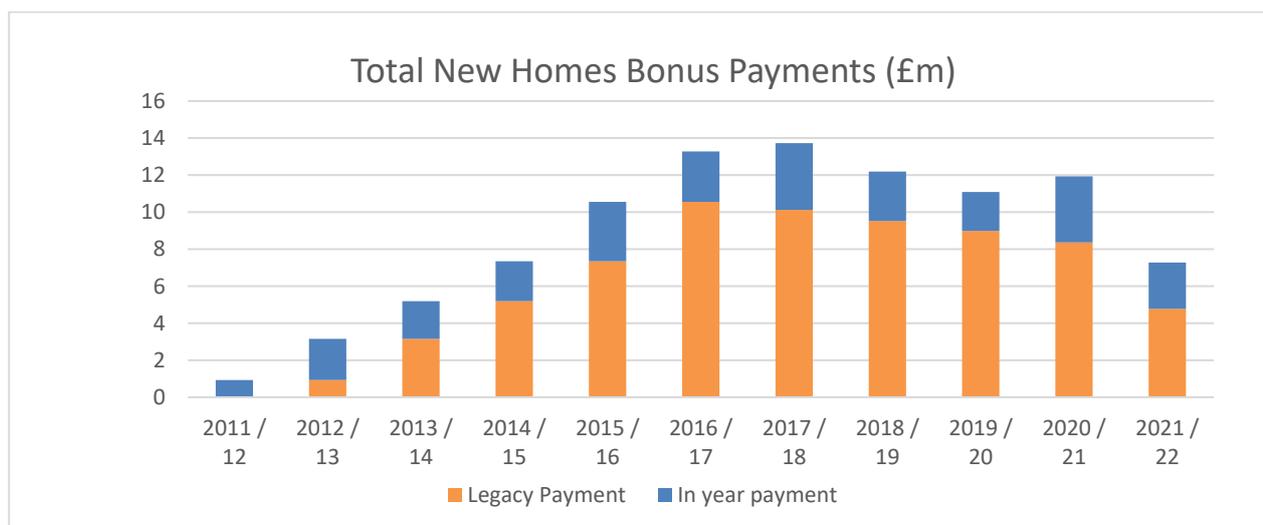


Chart 4: Total New Homes Bonus Payments 2011/12 to date

- 8.19 The significant reduction of the 2021/22 grant is primarily due to the legacy payments in the allocation decreasing from three years to two years in addition to the new year 2021/22 allocation.
- 8.20 The settlement consultation document confirms the Government will consult on reforms to the New Homes Bonus in 2021, with a view to implementing reform in 2022-23. As such, it is likely 2021-22 will be the final year of funding under the current approach.

### Taxbase

- 8.21 Dwelling numbers in Greenwich continue to grow as set out in Chart 5, with 11,530 additional dwellings over the period since 2015/16 (+10.7%), an increase of approximately 2,000 per annum.

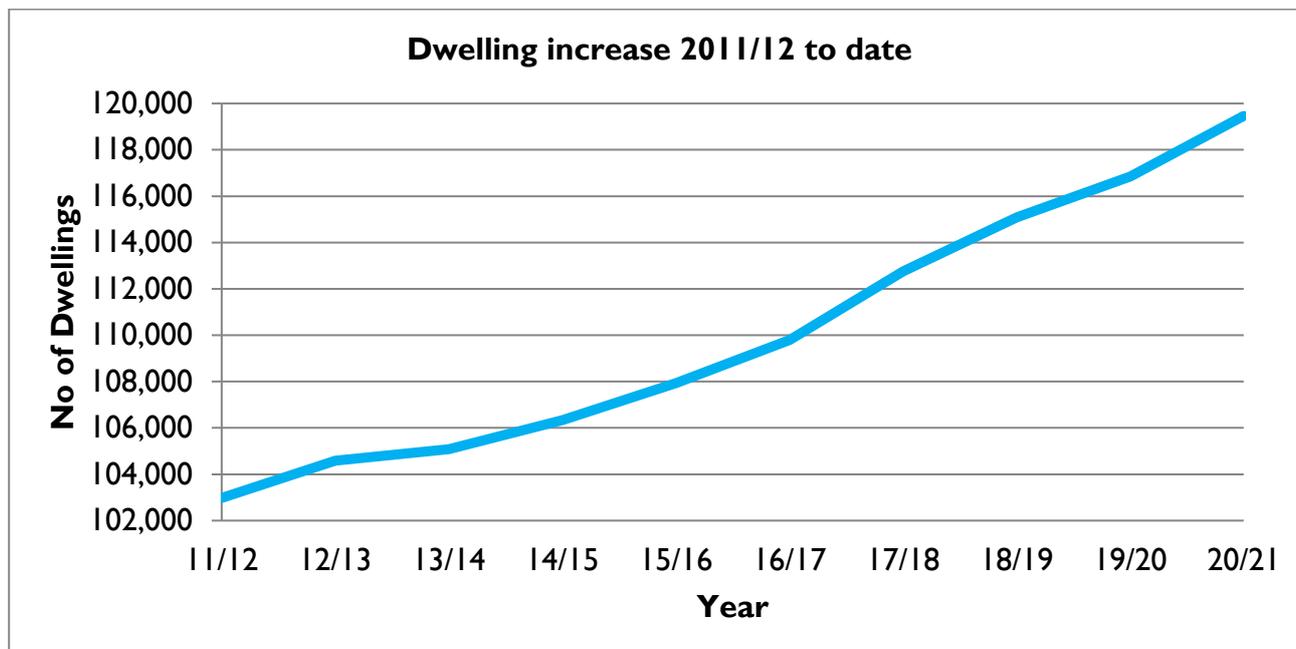


Chart 5: Dwelling Increase 2011/12 to date

- 8.22 Greenwich would normally be in line for a similar increase in dwellings in 2021/22, however Covid19 has impacted the tax base, with the increase in the number of properties rated by the Valuation Office Agency year on year up 1,143 (+0.96%), the lowest increase since 2013/14) and increased Local Council Tax Support (LCTS) scheme pressures due to increased levels of unemployment.
- 8.23 An additional government hardship grant of £2.771m has been provided by the government to support the significant pressures on the LCTS scheme

caused by Covid19 in 2021/22. This resource is to compensate the council for reduced council tax income due to the increases in Working Age LCTS caseload. Greenwich has seen a 12% rise, so far, since the start of the pandemic, shown in Table 9.

*Table 9 – Working Age LCTS Caseload*

<b>LCTS Caseload</b>	February 2020	March 2020	June 2020	September 2020	December 2020
Working Age	14,506	15,129	15,735	16,039	16,286

8.24 This additional government support is a one-off grant in 2021/22 only and the levels of LCTS will need to be reviewed when the tax-base for 2022/23 is set. The revised effect on the tax base, after utilisation of £2.171m of this one-off grant, is an additional £1.190m.

8.25 A residual sum of £0.600m is available as a one-off cash sum.

### Schools Funding

8.26 In December 2020, the Education and Skills Funding Agency (ESFA) published the Dedicated Schools Grant (DSG) funding allocations for 2021/22. The Royal Borough of Greenwich will receive Dedicated Schools Grant funding in 2021/22, as set out in Table 10.

*Table 10 – DSG 2021/22 (£m)*

<b>Dedicated Schools Grant</b>	<b>20/21</b>	<b>21/22</b>	<b>Variance</b>
Schools Block	229.8	236.7	+6.9
Central Block	5.3	4.6	-0.7
High Needs Block	52.0	57.0	+5.0
Early Years Block	27.9	28.1	+0.2
<b>Total</b>	<b>315.0</b>	<b>326.4</b>	<b>+11.4</b>

8.27 There is a net increase in DSG of **£11.4m** with three blocks seeing rises, but the Central Block, currently worth **£5.3m**, sees a **£0.7m** reduction to **£4.6m**. Funding for the block was reduced by **£0.9m** in 2020-21 and has therefore seen a **£1.6m** reduction over 2 years. The block provides funding for local authority functions such as planned maintenance and the virtual school. The Schools Block has increased by **£6.9m** (2.98%), the High Needs Block by **£5.0m** (9.7%) and the Early Years Block by **£0.2m** (1.0%) above the funding levels of 2020-21. Each local authority will, as usual, receive funding in four blocks (Schools, Central, Early Years and High Needs), all of which have now been confirmed

for 2021/22. The Teachers Pay and Pension Grant (TPPG) has increased by £0.1m from £9.9m in 20/21 to £10m in 21/22.

## **Social Care including the Better Care Funds and Public Health**

### Social Care Grant

- 8.28 The provisional 2021/22 settlement confirms the continuation of the 2020/21 Social Care Grant which is to be increased by £300m nationwide. Greenwich's share of the £300m of additional grant funding is £2.688m. This grant will not be ringfenced and conditions or reporting requirements will not be attached.
- 8.29 The intensive work being undertaken by the council in conjunction with Newton within the social care environment portrays a picture where spending can be contained within resources provided to date. As such, the council can reallocate its resources between directorates to ensure that services are able to meet demographic and price demands.

### Better Care Fund (BCF)

- 8.30 This amount forms part of a pooled budget between the CCG and the Council, with plans for spending being jointly overseen by the Health and Wellbeing Board.
- 8.31 NHS funding has yet to be announced by the Government.

### Improved Better Care Fund

- 8.32 Maintaining the improved iBCF at 2020/21 levels. Of this £1.9bn of national funding, Greenwich receives £15.0m. There is thus no change in resources receivable by the authority.

### Public Health

- 8.33 The government had previously announced that the public health grant ring-fenced status would come to an end at the end of March 2020, to be replaced by a funding model for local government based upon retained business rates. However, other political priorities and the COVID-19 pandemic have delayed consultation on the proposed change.
- 8.34 Councils have not yet received notification of the 2021/22 public health grants allocations.

### Lower Tier Services Grant

8.35 The government is proposing to introduce a new un-ringfenced Lower Tier Services Grant to allocate £111m to local authorities for lower tier services i.e. those whose functions include homelessness, planning, recycling and refuse collection and leisure services). Without this funding, around 85 districts would have seen a decrease in their Core Spending Power and this has enabled them to see a 0.0% change in their CSP year on year. Greenwich will receive £0.636m of this funding.

#### Independent Living Fund

8.36 Following the closure of the Independent Living Fund (ILF) in June 2015, the government agreed to continue funding pre-existing ILF arrangements until the end of 2019/20, through the Former ILF Recipient Grant. A ministerial statement in late 2019/20 confirmed that the former ILF Recipient Grant would continue to be paid to local authorities in 2020/21 and Greenwich received £1.1m for the year. Councils have not yet received notification of the arrangements for 2021/22.

#### Freedom Pass

8.37 The cost of the London-wide freedom Pass Scheme was £9.629m in 21/22. Due to the effects of Covid19 on travel take-up across the Capital this cost is estimated to drop in 21/22 to £8.320m, thus leaving £1.309m available to be treated as a one-off cash sum.

#### Funding Change Summary

8.38 In light of funding changes contained in the provisional local government settlement and other resourcing announcements, the resource position is summarised in Tables 11 and 12 respectively.

Table 11 – One Offs Resources

<b>One Offs Resources</b>	<b>£m</b>
(i) Freedom Pass Reduction	(1.309)
(ii)Unringfenced Local Council Tax Support Grant	(0.600)
<b>One Off Capacity c/f</b>	<b>(1.909)</b>

Table 12 – Ongoing Resources

<b>Ongoing Resources</b>	<b>£m</b>
(i) New Homes Bonus Reduction	4.648

(ii) Local Taxbase Growth	(1.190)
(iii) Social Care Grant	(2.668)
(iv) Lower Tier Grant	(0.636)
<b>Ongoing Pressure c/f</b>	<b>0.154</b>

## 9 Investment Decisions

### One Off Funding

- 9.1 It is recommended that the reduction of £1.309m be treated as a one-off cash sum to hold against pressures – until the pandemic has passed, it is not clear what usage levels will be like in the future.
- 9.2 It is recommended that the remaining un-ringfenced one off Local Council Tax Support Grant of £0.600m is also be held against pressures.

### Ongoing Funding

#### *Demographic and Price Demands (£10.080m)*

- 9.3 Public sector pay is currently frozen for 2021/22 for all but the lowest earners, however, local government pay in Greenwich is subject to separate national pay negotiations. Demand pressures the authority faces still continue to rise significantly in most services the Council delivers due to population increases and have been exacerbated by Covid19 pressures.
- 9.4 CPI is now running at a low level due the current economic distortion caused by Covid19, however some longer running large contracts are still RPI based which tends to be higher than CPI, and others have wage related cost increases and then there are general demographic demand driven costs.

#### *Base Realignment (£5.000m)*

- 9.5 Over the years, the shape and size of the councils General Fund and Housing Revenue Account services have shifted relative to each other and as a consequence, the apportionment of the cost of the councils enabling functions needs to kept abreast of these changes – with £1m earmarked for this shift in 2021/22, with the credit to the HRA being reflected within its own MTFs, which will be brought before Cabinet in due course.
- 9.6 Several areas have experienced considerably high demand pressures over the last couple of years and are outlined in section 7. The remaining £4m is to be held pending coming out of the pandemic, to review service performance across the board and address these imbalances alongside any longer term

COVID impacts upon the revenue position. Tables 13 and 14 show the one off deployment and ongoing pressure.

*Table 13 – One Offs Capacity Deployment*

<b>One Offs Position</b>	<b>£m</b>
One Off Capacity b/f	(1.909)
(i) To be held against overspend pressures	1.909
<b>One Off Capacity c/f</b>	<b>0.000</b>

*Table 14 – Ongoing Pressure*

<b>Ongoing Position</b>	<b>£m</b>	<b>£m</b>
Ongoing Pressure b/f		0.154
(i) Price / Demand	10.080	
(ii) Base Realignment	5.000	
<b>Gap to be financed c/f</b>		<b>15.234</b>

## 10 Savings

- 10.1 The council has engaged in a review which is explored further in section 12. Proposals to balance the budget for 2021/22 and to reduce the budget gap in the medium term were sought and a number of proposals were identified through this process. These total £10.7m for 2021/22 and are detailed in Appendix B1 and summarised in Table 15.

*Table 15 – Savings Proposals (£m)*

<b>Departmental Summary</b>	<b>Savings 2021/22</b>
Housing & Safer Communities	(0.249)
Community & Environment	(0.097)
Finance & Legal Services	(0.386)
Childrens Services	(0.822)
Health & Adult Services	(0.530)
Regeneration, Enterprise & Skills	(8.650)
<b>Total</b>	<b>(10.734)</b>

- 10.2 The work which the council is undertaking around improving outcomes in social care is now well underway and further proposals have been generated which will further reduce the council's structural deficit, as set out in Appendix B2.

## 11 Options for Balancing 2021/22

11.1 After the savings proposals identified in section 10, the council is left with a gap of £4.5m in the annual budget for 2021/22, as set out in Table 16.

*Table 16 – Residual Gap 2021/22*

<b>Residual Gap</b>	<b>£m</b>
Gap to be financed b/f	15.234
Savings proposals	(10.734)
<b>Residual Gap c/f</b>	<b>4.500</b>

11.2 Options for balancing 2021/22 are as follows:

- A. use of one offs / reserves
- B. service reductions / cuts
- C. council tax.

11.3 Option A is not a path that is recommended – one offs are exactly that and reserves should be used for the purpose that they have been earmarked.

11.4 Proposals for spending reductions of approximately £11m have already been generated in this report. The ability to produce any further material savings, with confidence, for Option B, in such a short period would be somewhat challenging.

11.5 The government assumes within its calculations that authorities will take up the maximum level of council tax price rise and the same for adult social care. There is a case for raising the precept to account for the disproportionately large pressures this service has and will continue to see.

11.6 Covid-19 has created significant challenges for local authorities and communities in general. One of the main areas of concern is around the impact of the pandemic upon mental health.

11.7 Mental health disorders account for nearly a quarter of all the total burden of ill health in the UK. Poor mental health is strongly associated with social and economic issues such as poverty, low quality work, unemployment and poor housing. There is well documented evidence around the increase in mental health burden during and following disasters and viral pandemics. This suggests that Covid-19 and the response, could have a significant impact upon the nation's mental health through increased exposures to stress inducing factors, particularly as a result of the reduction in access to usual coping

mechanisms and access to mental health treatments. Another challenge is the effect of Long Covid, where symptoms continue for weeks or months beyond the initial illness itself. This phenomenon affects not only those who may have been in intensive care but also those who initially had mild infections, leaving them with lasting and severe health problems. It is estimated that up to one in 20 people who have had the virus, have experienced Long Covid, experiencing fatigue, headaches, chest pains, joint pains and other symptoms.

- 11.8 There are also serious implications around the impact and legacy of Covid-19 around safeguarding. Issues such as a reduction or cessation in the regular support mechanisms for carers or parents leading to a deterioration in mental health and wellbeing, increased isolation and a reduction in visibility, an increase in domestic violence and abuse or children that have been deemed vulnerable, no longer attending school or being in contact with their teachers or social workers.
- 11.9 Agreement to an up lift of 4.99% (+3% Adult Social Care Precept and +1.99% council tax for Adult Social Care) would deliver additional resources of £4.5m per annum.

## 12 Continuous Improvement

### Overview

- 12.1 The imperative to modernise and improve has never been stronger.
- **External:** In most aspects of our residents' lives, they are able to interact with service providers through modern access channels that they can choose to best suit their needs. These channels are not only more effective in service provision but often significantly more efficient. Improving service integration will, over time, also enable us to join up services more effectively around the needs of individuals, families and local businesses but also enable us, through our use of data, to systematically understand changing patterns of need and, over time, to become more predictive.
  - **Internal:** We need to improve the way we work as an organisation. Many, if not all, of our corporate processes and ways of working require major overhaul including improvement of critical corporate enabling functions (such as Finance, Legal Services, HR and Digital).
  - **MTFS:** Finally, the scale of our MTFS challenge requires us to look beyond traditional incremental mechanisms for making efficiency improvements across all aspects of our operations – and to look to more radically

different ways of working that deliver major efficiencies alongside major service or process improvement. This type of change is often larger, more complex and can take longer to implement.

- 12.2 In January 2020 the Council established a small Continuous Improvement Team to enable, support and challenge GMT and Directorates to define, manage and deliver priorities for change and improvement.
- (i) the organisation was not starting from scratch - with the major “Thinking Differently” (now “Forward Thinking” ) Programme in Health & Adult’s Services well underway (now mobilised in Children’s Services) supported by Newton Europe and plans for radical improvement in our Digital Strategy under development.
  - (ii) the Continuous Improvement Team immediately took stock of previous organisational improvement initiatives (cross-cutting workstreams) and supported GMT to align around a more ambitious and cohesive target operating model (that describes how we want to work as an organisation) together with a strategic approach and timeline for delivery over a 4 year period.
  - (iii) the CI Team also agreed corporate governance arrangements to manage collective decision-making including defining the role and approach of the corporate Portfolio Management Office (PMO) to support GMT to manage delivery of collective priorities. The PMO, working closely with the wider PMO community across the organisation, will have an important role moving forward especially given the integration of the MTFs and Continuous Improvement agendas (see 11.6).
- 12.3 Covid-19 required the organisation to temporarily put its broad improvement agenda on pause and the Continuous Improvement team was re-deployed to support priority emergency borough support services (in particular the Community Hub). However, in one respect, the Covid situation accelerated change - showing that necessity is indeed the mother of invention - and the Digital leadership team provided an outstanding response to enable our staff to work safely, in new ways, often remotely, using new technology and to host virtual decision-making.
- 12.4 As it became clear, in the summer, that the Covid situation was likely to continue for some time, the Continuous Improvement Team re-mobilised to support GMT to conduct a rapid strategic planning exercise to define its priorities for the remainder of the financial year (to March 2021). In particular, the team supported the relevant Directorates to understand the impact of Covid19 on changing resident need across the borough along with

the impact on the economy and local businesses – and to support the development of effective short-term responses as a Council.

12.5 The PMO has subsequently been supporting GMT to monitor and manage delivery of Council priorities. The PMO has worked with the wider PMO community to design and embed a quarterly review process of providing a comprehensive set of ‘Delivery Status Updates’ across the portfolio of Council priorities.

12.6 These organisational priorities needed to adjust to address the scale of the MTFS challenge set out in October. As set out in 12.1 above, this required the MTFS and Continuous Improvement agendas to be strongly aligned. This was achieved through more thorough and robust conversations with Directorates supported by a core team drawn from Finance, Continuous Improvement, Digital, HR and Legal Services. These conversations identified a range of potential initiatives across different categories – Tier 1 (Directorate-specific), Tier 2 (service-led cross-Directorate) and Tier 3 (Corporate).

12.7 These ideas were worked up and reviewed with Cabinet representatives:

- the current list of MTFS Tier 1 and Tier 2 proposals identified are a long way behind meeting the challenge set out in the MTFS
- the scale of the challenge is subject to significant change over the 4-year period and we are initially seeking to address this through our Tier 3 proposals.

12.8 The Tier 3 corporate priorities for change and improvement are set out in Chart 6.



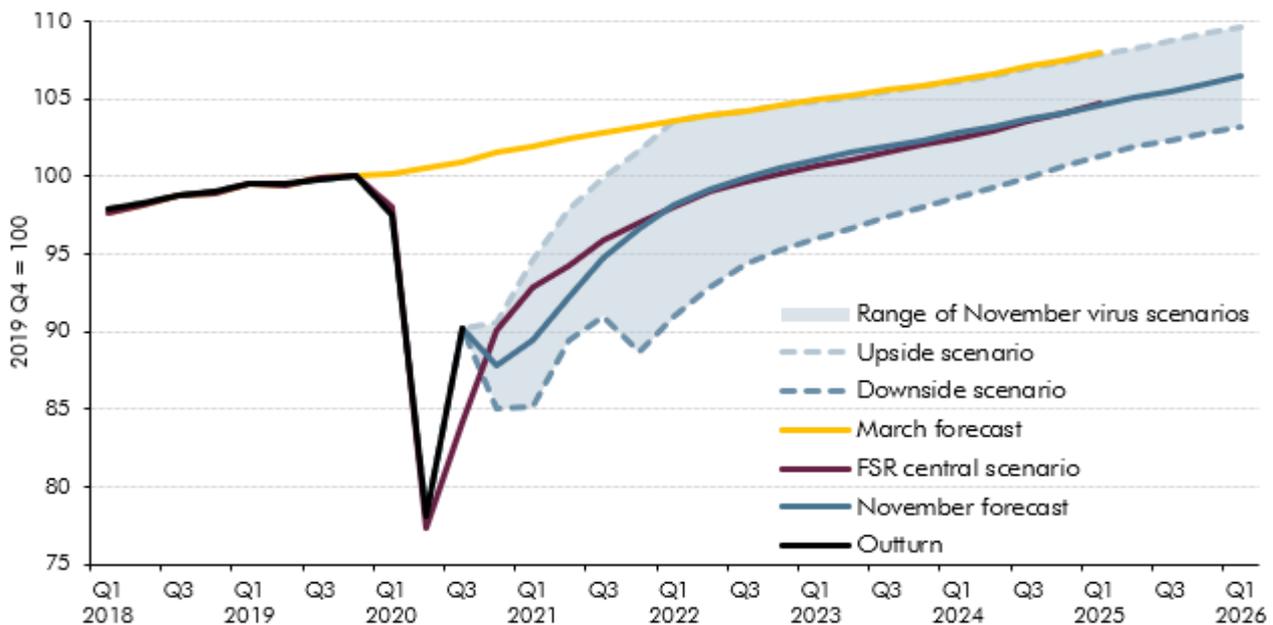
Chart 6 – Corporate Priorities

- 12.9 For example, this will enable the authority to undertake comprehensive strategic reviews around the need for assets and which within the current portfolio are to be retained / improved and those which may be utilised differently / disposed, building upon the concept of individual reviews, such as that around the best use of space occupied by services e.g. the PDC (referenced in Appendix B1 CS-04).
- 12.10 It will also play a key role in enabling the council to move forward with its ambitions around building an inclusive local economy, through progressive procurement, engaging with anchor institutions and attracting local investment to deliver an environment where assets and services work for the community.
- 12.11 The Continuous Improvement Team, along with appropriate internal/external support, will be funded from flexible capital receipts that may be spent on revenue under the governments temporary capitalisation direction. The flexibility has been extended to March 2022. Qualifying expenditure is defined as "expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public-sector delivery partners.

### **13 Looking Ahead / Risk**

#### National Economic Position

- 13.1 The impacts of Covid19 are having a significant and ongoing effect on the Nations Finances and the performance of the economy, as shown in Chart 7.



Source: ONS, OBR

Chart 7: UK economic output in 2021 - worst performance in 300 years

- 13.2 The effect of Covid19 has led to an unprecedented increase in government borrowing, which in the Medium to long term will need to be addressed by the government taking some hard economic decisions.
- 13.3 This projected poor economic performance, and the government decisions on how to pay for the increased borrowing is likely to have significant financial implications for all sectors of the economy, including local government.
- 13.4 The local government finance settlement for 2021/22 is again a one year only settlement, with the deferral again of significant reform of the local government funding.

#### Fair Funding and Business rates reform

13.5 The areas of possible reform that have been deferred are:

- Fair Funding Review (including the Area cost adjustment - ACA)
- Business Rate Baseline Reset
- A move from 50% to 75% Business Rate Retention
- The potential introduction of the Alternative Business Rate Retention System

13.6 No timeline was discussed when the settlement was released in December 2020, for when these reforms are now likely to take place. The Minister when questioned said he hoped “there may be an opportunity to do so next year and my Department will work with the Treasury to review that” and

when pressed said he was “not able to confirm when we will bring that forward”.

- 13.7 These reforms are likely to be significant affecting the way local government resources are allocated at both the national and local level. There is a strong possibility that that these reforms mean local government resources are likely to be relocated from London to the districts and in particular to those areas in the north.

#### New Home Bonus Scheme

- 13.8 One area of reform that we do have more certainty over is the New Homes Bonus(NHB) review. The 2020 Government consultation on the NHB concluded that the scheme was “not ... incentivising homes where they are needed.” The government has said in 2020 that it will soon be inviting views on how the scheme can be reformed in 2022/23.
- 13.9 The NHB allocation for Greenwich fell £4.6m in 21/22. Further change to/or an end to the NHB scheme will put the remaining funding of £7.3m that Greenwich receives at risk.

#### Other Issues

- 13.10 Other events likely to impact looking ahead are:

- the ongoing focus on Business Rates - amplified at national level by the ongoing Covid-19 crisis - may well result in changes to how this tax is raised from the taxpayers. The Chancellor’s Budget on 3 March 2021 may give some indication whether any significant changes are likely occurs. This will be of particular interest to local government as the Business Rate Retention scheme is the principal form of external local government funding.
- Business Rates Appeals are likely to have an increasingly significant impact on business rate receipts due to insolvency and as rateable values are likely to be reduced on appeal as a result of Covid-19, and backdated.
- additional Business Rate Relief funded by the government approx. £60m (60%) of business rates turnover in Greenwich in 2020/21 because of Covid-19 are at risk of being impacted by appeals, with the likelihood that Greenwich will have to pay back a significant amount of this relief. Any widespread reductions in Rateable Values of businesses in the borough by the Valuation Office Agency could result in a reduction of business rate income for Greenwich.

- The next Revaluation of Business Rates List is now due to take place on 1 April 2023 and will be based on April 2021 property prices.

### Updated MTFS

- 13.11 Until the government can provide medium term financial settlements, this will significantly impede local authorities in medium-term financial planning. However, with the continued prevalence of Covid-19, a return to medium term planning at a national level may be some time away.
- 13.12 Despite this obstacle, Greenwich will continue to use medium term financial planning to achieve financial stability.
- 13.13 In light of the Continuous Improvement Agenda discussed in Section 12, including the Digital Improvement Plan and the updates in this report, the MTFS can be revised to that shown in Table 20.

*Table 17 – Revised MTFS central forecast (£m)*

<b>MTFS Variable</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>
Govt Funding Reduction	1	8	12	13
Inflation (Pay and Other)	6	12	18	25
Demographic/Demand	4	8	12	16
Digital Improvement Plan	0	8	8	7
Budget Realignment	5	7	7	7
<b>Total Expenditure Pressures</b>	<b>16</b>	<b>43</b>	<b>57</b>	<b>68</b>
Income - Property Growth	(1)	(2)	(3)	(4)
<b>Total</b>	<b>15</b>	<b>41</b>	<b>54</b>	<b>64</b>
<b>Savings:</b>				
Savings Proposals	(11)	(16)	(18)	(19)
Digital Improvement Plan	(0)	(4)	(11)	(18)
<b>Council Tax:</b>	<b>(4)</b>	<b>(4)</b>	<b>(4)</b>	<b>(4)</b>
<b>Net Budget</b>	<b>0</b>	<b>17</b>	<b>21</b>	<b>23</b>

13.14 The revised Central forecast of the MTFS shows:

- a balanced position for 21/22, once Council Tax increases of 3% for the Adult Social Care Precept and 1.99% borough increases are included.
- a significant improvement from the original MTFS in Section 5 over the 4-year time period the MTFS covers. This relates to:
  - estimated government funding reduction improvement (£5m)
  - savings proposals (£19m)
  - net effect of the DIP of (£11m).

13.15 To summarise the revised overall financial position of the Council in the medium term, the current projected overspend is added to the MTFS

scenario modelling and is shown in Table 21. The forecast structural deficit (overspend) has improved significantly through the efficiencies of the joint working with Newton Health and Adults and Children’s Services.

*Table 18 – Revised Summary MTFs (£m)*

<b>Year</b>	<b>Structural Deficit Overspend</b>	<b>New Net Budget Growth</b>	<b>Overall Resource Gap</b>
2021/22	3	0	<b>3</b>
2022/23	-	17	<b>17</b>
2023/24	-	21	<b>21</b>
2024/25	-	23	<b>23</b>

### Risks for Greenwich

- 13.16 The MTFs shows an improved position, but this improvement is based mainly on the successful implementation of the Continuous Improvement Agenda through the Digital Improvement Plan, the achievement of savings and the success of the Newton initiatives.
- 13.17 Not included in the Strategy are the risks of radical reform to local government funding discussed earlier in this section. Specific risks include:
- the New Homes Bonus scheme for which Greenwich faces a potential total loss of the remaining funding of £7.3m, if the scheme is radically reformed or curtailed.
  - the Government have used an updated ACA factor to allocate Covid19 funding. Whereas under the current funding system Greenwich has a reasonable ACA, Greenwich would lose out significantly if this new ACA factor was used.
- 13.18 Any future reset in the business rates could pose a risk to future funding for Greenwich. Since the business rates baseline funding level was set in 2013/14, Greenwich has been able to benefit from approximately £7m of growth in the business rates base. There is uncertainty on how this growth will be reflected in any potential baseline reset.
- 13.19 Significant other risks remain, and a timescale and further details of future funding reform are awaited from the government.
- 13.20 The Government faces the real and difficult challenge of addressing how to fund the social care system going forward. Suggestions like an auto-enrolment vehicle to get people saving for future care liabilities (modelled on the existing pension system) or National insurance levy on those aged over 40 to pay for

future social care needs, have been discussed. There have also been suggestions of a universal care entitlement where the state provides a basic level of social care and the individual topping up if they wish.

- 13.21 Covid-19 itself is an additional complexity within the medium-term risk scenario and as with the other risks needs to be monitored and managed carefully.
- 13.22 Management of risks above will be the key focus over the coming months for financial control and monitoring processes for Greenwich. Members will receive further updates in due course.

#### **14 Consultation and Timetable**

- 14.1 This year, the authority has engaged in an online consultation regarding proposals for 2021/22. The consultation was for the period 23 December 2020 until 17 January 2021.
- 14.2 A total of 270 respondents engaged with the consultation over 55% of who were aged 30-44. It provided an opportunity for stakeholders to input their feelings on key themes. To summarise, less than half of respondents were against a rise in council tax – many wished to see an increase in council tax for empty homes. Other headlines were as follows:
- 83% want front line services to be protected
  - 86% want the council to make efficiencies
  - 66% want to increase income by way of fees and charges
  - 73% want to increase enforcement of parking and moving traffic offences
- 14.3 In terms of the priorities around building a fairer, greener Greenwich, respondents provided replies to a number of further questions as follows:
- 66% want the council to reshape social care services to improve outcomes for residents
  - 56% want the council to tackle climate emergency and environmental issues
  - 64% want the council to reduce poverty by helping working age residents on the lowest incomes

A number of respondents suggested:

- the desire to move to less frequent refuse collections;
- an increase and a reduction in council sponsored events in relatively equal measure;
- improved cycle and pedestrian spaces and roughly equal numbers wishing to reduce cycle lanes
- better use of assets;
- more digitalisation;
- reduction in fly-tipping and tackling of offenders;
- increased efficiency, energy saving and staffing reductions; amongst other things

14.4 The governance timetable is shown in Table 22.

*Table 19 – Governance Timetable*

<b>Meeting</b>	<b>Date</b>	<b>Subject</b>
Public Consultation	23 Dec – 17 Jan	MTFS
O&S	26 Jan	MTFS
Cabinet	27 Jan	MTFS
Cabinet	17 Feb	Budget & MTFS Summary recommended to Council
GLA Assembly	25 Feb	Precept Agreed
Council	25 Feb	Budget & MTFS Summary approved by Council

## 15 Cross-Cutting Issues and Implications

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Legal</b>	<p>The proposals in this report provide the foundations to allow the Council to meet its statutory obligations to set a balanced budget each year in accordance with the Local Government Finance Act 1992 the Local Government Act 2003.</p> <p>In considering proposals concerning services, it is important that Members consider the policy choices about those services it wishes to fund and the extent</p>	<p>John Scarborough, Director of Legal Services, 11 January 2021</p>

of that funding. Members should consider all relevant factors in reaching a decision and balance the needs of those who might have a call on resources against the resources available. The outcome of the high-level consultation process already undertaken needs to be considered carefully and conscientiously taken into account in making the decisions set out in this report.

More detailed project and business plans will be prepared in relation to a number of the projects set out in Appendix B. Further decisions in relation to the detail of some service changes may need to be made by Cabinet in due course, for example where actions are not delegated under the Constitution, or where further consultation outcomes in relation to those services need to be considered by Members. The HR implications will be dealt with through the usual channels, seeking to minimise redundancies and rely on redeployment and voluntary severance as far as possible.

If any of the savings or income proposals are challenged this will result in a delay to implementation, or if savings take longer than anticipated to deliver, or significant risks occur then further resources may need to be found from additional service changes or reserves to balance the budget. Progress will be monitored by Directors and centrally by the PMO.

Cabinet and Council will consider recommendations in relation to the Council's budget and council tax at their February meetings.

<b>Finance</b>	This report is authored by the Director of Finance and there are no other financial implications arising.	Michael Bate Assistant Director of Finance, 19 January 2021
<b>Equalities</b>	<p>Decision-makers are reminded of the requirement under the Public Sector Equality Duty (s149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups. The decisions recommended through this report could directly impact on end users.</p> <p>Proposals affecting staff are assessed in accordance with the relevant policies and procedures regarding reorganisation.</p> <p>With regards to other proposals, the Council has started to identify potential equality issues (See Appendix B1) and they will be the subject of further equality analysis where appropriate before the relevant decisions are taken.</p>	Michael Bate Assistant Director of Finance, 19 January 2021

## 16 Report Appendices

16.1 The following documents are to be published with and form part of the report:

- Appendix A: Service Fees and Charges
- Appendix B1: Savings proformas
- Appendix B2: Cost Reduction proformas
- Appendix C: Equality Impact Assessment

Background papers: None

Report Author: Stephen Parratt  
Accountancy Business Change Manager

Tel: 020 8921 5263  
Email: [stephen.parratt@royalgreenwich.gov.uk](mailto:stephen.parratt@royalgreenwich.gov.uk)

Reporting To: Michael Bate  
Assistant Director of Finance

Tel: 020 8921 4292  
Email: [michael.bate@royalgreenwich.gov.uk](mailto:michael.bate@royalgreenwich.gov.uk)

Reporting To: Damon Cook  
Director of Finance

Tel: 020 8921 3508  
Email: [damon.cook@royalgreenwich.gov.uk](mailto:damon.cook@royalgreenwich.gov.uk)