

## **Medium Term Financial Plan 2019/20 - 2022/23 - Update**

### **SUMMARY**

- 1.1 The financial outlook for the Council continues to be extremely challenging with Government austerity measures confirmed as continuing into the medium term. At this stage there is no certainty as to what will happen to local government funding over the next few years following the Government's commitment to a Fair Funding Review within the next Spending Review scheduled for 2019. It is important that the Council robustly plans ahead in this medium term to ensure ongoing financial sustainability.
- 1.2 Since public sector austerity began in 2010, local government has borne the brunt of disproportionate Government funding cuts compared to other Government Departments. "Local Government has sustained disproportionately large reductions in central government funding over this decade, in comparison to the rest of the public sector. Between 2010 and 2020, councils will have lost 60p out of every £1 the Government had provided for services." (Source: Lord Porter - Chairman of the Local Government Association (LGA)).
- 1.3 This report provides an update on the progress made on the delivery of the 2019/20 – 2022/23 Medium Term Financial Plan (MTFP), since Cabinet agreed the medium term financial strategy report at the 18 July Cabinet, where the forecast total savings gap to find at that time was £22.843m over the four year period.
- 1.4 Resource projections for the next four years continue to be updated as our financial position becomes clearer and further evolving pressures are challenged and draft savings plans are worked up and incorporated into our MTFP.
- 1.5 In ongoing challenging times for the Council specifically and local government generally as we approach our tenth year of austerity, delivery of a balanced budget year on year is becoming more and more difficult whilst trying our best to provide sustainable quality services and the innovation required to be a modern Council.
- 1.6 Our updated estimated funding gap included in this report over the next four years is currently £9.570m after incorporating updated pressures and draft savings proposals. Work is ongoing within the Directorates to outline further savings and income generating options that will be considered in the coming weeks with further reports to Cabinet in due course.

- 1.7 This report outlines how we face significant ongoing pressures in our Social Care Services. These financial pressures are being felt by all unitary, metropolitan and county councils and are considered to be unsustainable without a permanent recognition by Government that significantly more funding needs to be aligned to offset these increasing pressures.
- 1.8 The report also sets out proposed savings plans to date which if agreed and delivered will have an impact on jobs with an estimated reduction in posts by 128.1 full time equivalent posts. The word “proposed” here (and throughout this report) is not meant as used in the Trades Union and Labour Relations Consolidation Act (TULRCA). This is the relevant legislation giving rise to the collective consultation obligation. No reductions will be “proposed” for consultation purposes before Cabinet makes its decision.

## **RECOMMENDATIONS**

- 2.1 To approve the early progression of savings of an operational nature within the Corporate Resources Directorate which do not require consultation outlined in section 7.4 and Appendix 4a.
- 2.2 To approve the early start of appropriate consultation processes to deliver the staff car parking saving as detailed in 7.4 and Appendix 4a.
- 2.3 To agree in principle, subject to the outcomes of recommendations 2.4 and 2.5, the proposed savings for the People’s Directorate as detailed in Appendix 4b.
- 2.4 To approve the start of appropriate consultation processes, including collective consultation, to deliver these savings and the preparation of an equality impact assessment of the impact of a decision to deliver some or all of these savings
- 2.5 To note current list of savings options outlined in Appendix 4 which will have an impact on jobs with an estimated reduction in posts by 128.1 full time equivalent posts.
- 2.6 To note the current estimated service pressures outlined in Appendix 5.
- 2.7 To note the current estimated financial position with a revenue funding gap of £5.474m in 2019/20 and £9.570m across the four year period to 2022/23 as summarised in section 7, with detail in Appendix 3.
- 2.8 To note some of the priorities which require consideration to reduce the gap as outlined in section 10.

- 2.9 To agree the updated timetable for the development of our Budget for 2019/20 and our Medium Term Financial Plan for 2019/20 – 2022/23 including consultation periods set out in section 11 and Appendix 2.

## **REASONS FOR RECOMMENDATIONS**

- 3.1 To optimise consistent and planned resource allocation and alignment with the strategic priorities included in our Council Plan.
- 3.2 The Council is required to set a balanced revenue and capital budget for 2019/20 by March 2019. Under the Prudential Code, established by the Local Government Act 2003, we must also demonstrate the affordability of our revenue budget for the two subsequent financial years, after taking into account our plans for capital expenditure.
- 3.3 To comply with statutory obligations in respect of consultation and to enable councillors to be assured that they will be provided with more details about the proposals and their impacts before a decision is finally made.

## **SUPPORTING INFORMATION**

### **4 Introduction**

- 4.1 Key areas of the report are outlined below:
- i. The current picture nationally and locally outlined in section 5
  - ii. The savings gap in the 18 July 2018 Cabinet outlined in section 6
  - iii. The latest savings gap outlined in section 7
  - iv. Peoples directorate revenue savings proposals outlined in section 8
  - v. Review of the latest MTFP model outlined in section 9 and Appendix 3
  - vi. Priorities to close the gap outlined in section 10
  - vii. The latest timetable including consultation outlined in section 11 and Appendix 2

### **5 The Current Local Government Financial Position - Nationally and Locally**

#### **5.1 The National Position**

Lord Porter, the Conservative Chairman for the LGA, has recently outlined his concerns that the pressures faced by councils extend beyond cuts from central government. Increased demand for certain services, particularly social care, has also made the problem worse. For example the number of children taken into care has nearly doubled in a decade. In 2017 we experienced the biggest annual increase in children in care since 2010 and councils are now starting 500 child protection

investigations every day.

He also suggested the growing demand, combined with significant budget cuts, puts serious pressure on local government and its ability to continue providing the services our communities expect and deserve. At some point, something has to give.

- 5.2 The national position is being widely discussed and with several bodies highlighting concerns, including ‘that councils are facing a tough and complex set of challenges – cuts in funding and rise in demand’ (*source: PWC annual survey of local authority chief executives and leaders*).

The LGA has suggested that councils face an £8billion funding black hole by 2025 and a report from the National Audit Office (NAO) in March 2018 raised concerns that the financial health of local authorities across England is getting worse. Council leaders are warning that children’s services face a tipping point, with 90 children entering care every day but repeated appeals for additional funding from the Treasury rejected.

- 5.3 The funding pressures facing adults and children’s social care, as well as homelessness and public health, are particularly severe. The growing demand for these services has meant that less money is being spent on the other services that keep our communities running such as libraries, local roads, early intervention and local welfare support. This is also a false economy, and leads to increased cost pressures in other parts of the public sector (*source: LGA budget submission to Government 2018*).

- 5.4 The LGA reported in their recent budget submission ‘Unprecedented funding pressures and demand for key services is pushing councils to the limit. Councils have strained every sinew to play a vital role in supporting local economies and communities through a difficult few years. Local government has sustained disproportionately large reductions in Government funding over this decade, in comparison to the rest of the public sector. Between 2010 and 2020, councils will have lost 60p out of every £1 the Government had provided for services. In 2019/20 Councils’ Revenue Support Grant is due to be cut by a further £1.3 billion’.

- 5.5 The NAO ‘Financial sustainability of local authorities’ March 2018 Report outlines that the sector has done well to manage substantial funding reductions since 2010/11, but financial pressure has markedly increased since the last study. Services other than adult social care continue to face reducing funding despite anticipated increases in council tax. Local authorities face a range of new demand and cost pressures while their statutory obligations have not been reduced. Non-social-care budgets have already been reduced substantially; so many councils have less room for manoeuvre in finding further savings. The scope for local discretion in service provision is also eroding as local authorities strive to generate alternative income streams. The current pattern of growing overspends on services and dwindling reserves exhibited by an increasing number of authorities is not sustainable over the medium term. The financial future for most authorities is less certain than in 2014. The financial uncertainty created by the Government’s delayed reform to its commitment to introduce a new local government financial system risks longer-term value for money.

The NAO report went on to say that financial pressure on local authorities has

increased substantially since 2010/11, with a 49.1% real-terms funding reduction. According to the report, services outside adult social care continue to face cuts despite expected council tax increases. It is harder for local authorities to exercise their discretion to provide the right services without finding other ways of generating more council income.

- 5.6 In Derby, like most unitary, metropolitan and county councils, we are facing growing demand and cost pressures in adult social care and children's services. The LGA has calculated that by 2019/20 there will be a £1.9 billion shortfall in children's services funding and a £2.2 billion funding gap in adult social care services; this is supported nationally by the professional Association of Directors of Children's Services and Adult Social Services. Nationally there are increasing numbers of children being taken into care, and last year in Derby we experienced a 41% increase in care applications.
- 5.7 There is a growing and compelling evidence base across the adults and children's sector from the likes of the Association of Directors of Adults Social Services, the Association for the Directors of Children's Services and the LGA about the sustained pressures in the sector, and there is a range of work underway, nationally and locally in Derby, to influence government thinking regarding sustainable levels of resourcing.

There have been a number of key reports published which highlight the scale of the challenges for local government children's and adults services. *Making Sense: Understanding the Drivers of Variation in Spend on Children's Services (2018)* a joint publication by the LGA and Newton Europe demonstrates the complexity of delivering children's services and the multitude of factors influencing spend, including the significant impact of levels of poverty and deprivation, accounting for 31% of the total variation in spends. Findings concluded that variation in spend is due to a variety of factors which are largely out of the control of individual local authorities and certainly outside of children's services, therefore some level of variation is inevitable.

The *All Party Parliamentary Report: Storing Up Trouble (2018)* found that children receive different levels of intervention and support depending on where they live, particularly in relation to access to early help and wider preventative services. The inquiry heard evidence that funding pressures are having a disproportionate impact on the most deprived areas. Increasing levels of demand and a reduction in resources has resulted in a depleted early help offer, meaning that families are dealing with increasingly complex challenges without the desired support and as a result, require more intensive support further down the line.

5.8 **The Local Position**

Our Medium Term Financial Strategy is shaped by the national context but also by the need to respond to increasing service demands from our communities at the local level coupled with our ambitious improvements and maintenance through capital investment in order to stimulate growth and inward investment across the city.

- 5.9 These are pressures outside of our control which are driving demand across adults and children's services and we are experiencing year on year demand for statutory services.

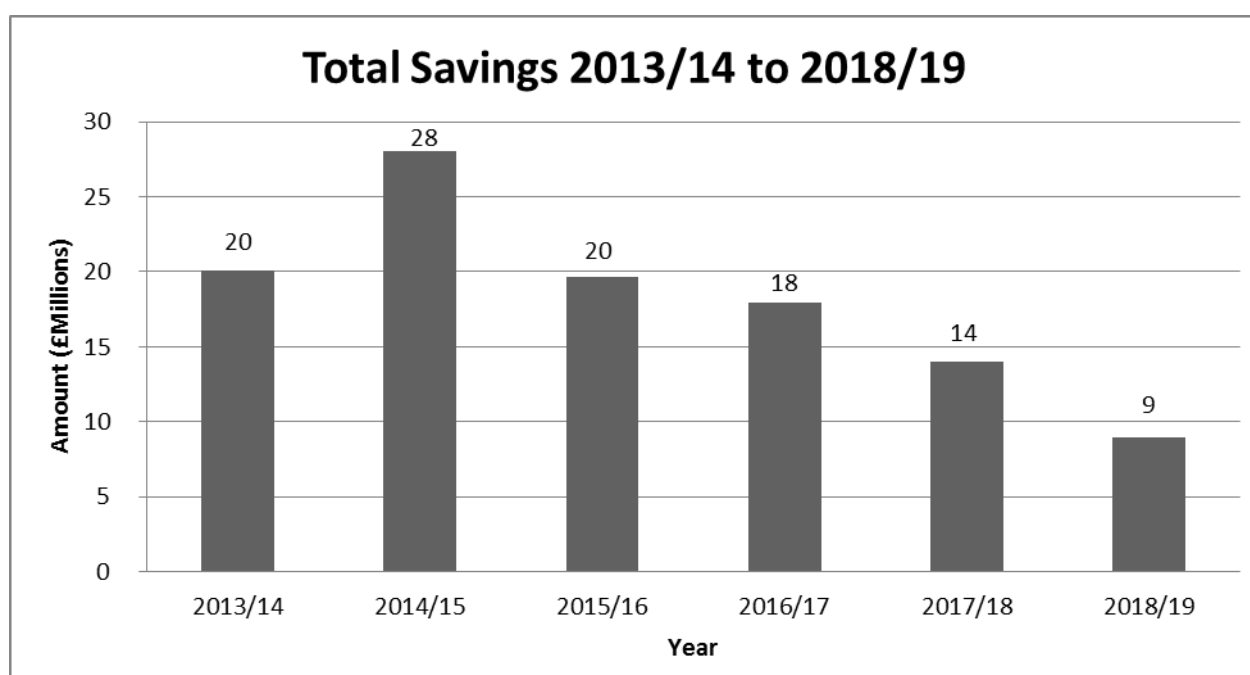
Within adult services, the over 85s population is rising annually by 3%, coupled with the Council supporting more adults of working age with eligible social care needs. In

2017/18 there was a 10% increase in the numbers of adults of working age with severe and chronic learning and/or physical disabilities supported by adult social care. By 2030, over one quarter of the adult population of Derby shall be aged 65. In addition, Derby has the widest gap in life expectancy between the most and least deprived across the East Midlands.

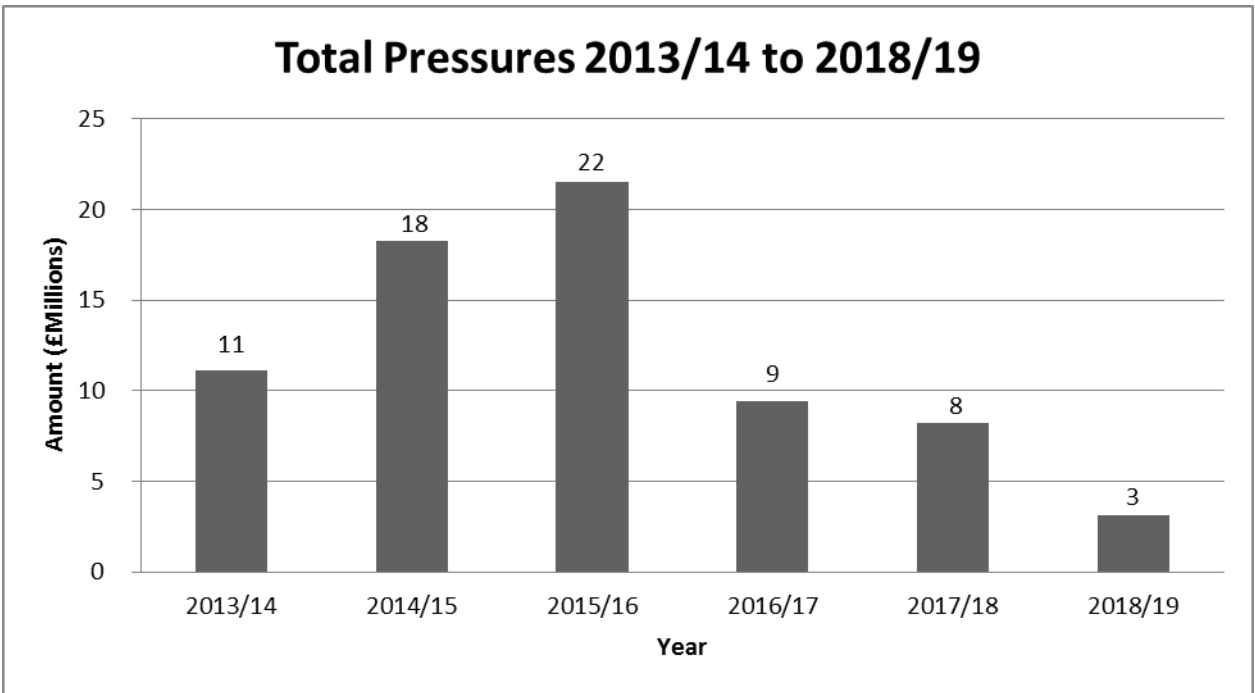
We also have increased demand for early help and children's social care services, particularly the numbers of children subject to child protection plans, and latterly children coming into care, with a 41% increase in care applications in 2017/18. We have continued to see a rise in the numbers of children being admitted to care in 2018/19, and have increasing numbers of children placed in external foster placements which are more costly than placing with our own foster carers.

- 5.10 The Council has also experienced a sustained increase in demand for spend on our assets, including infrastructure and property. Again this is also projected to increase in the foreseeable future. Emerging pressures will also need to be taken into account. For example, the escalating costs of the A52 project and the costs that will be incurred to cover the Air Pollution work in advance of receipt of Government funding, potentially a new swimming pool and other new, emerging capital projects with associated revenue implications.
- 5.11 Derby has a relatively limited ability to raise resources through local taxation when compared to other authorities. This stems from the fact council tax income is limited by the high proportion of low value dwellings, over 51 per cent of which fall into band A which is the lowest band.
- 5.12 **The tables below show the year on year savings and pressures for the last six years from 2013/14 to 2018/19**

This first column chart shows the Council's total savings for the period 2013/14 to 2018/19, which equates to **£109million**:

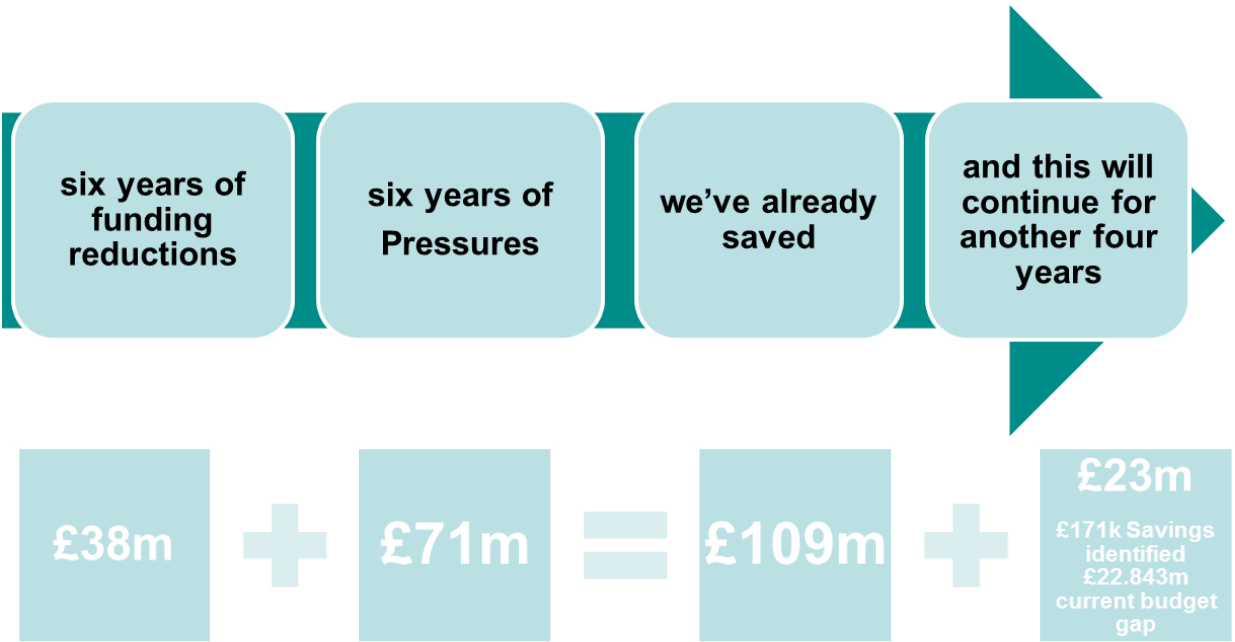


This column chart shows the Council's total pressures for the period 2013/14 to 2018/19 this equates to **£71million**:



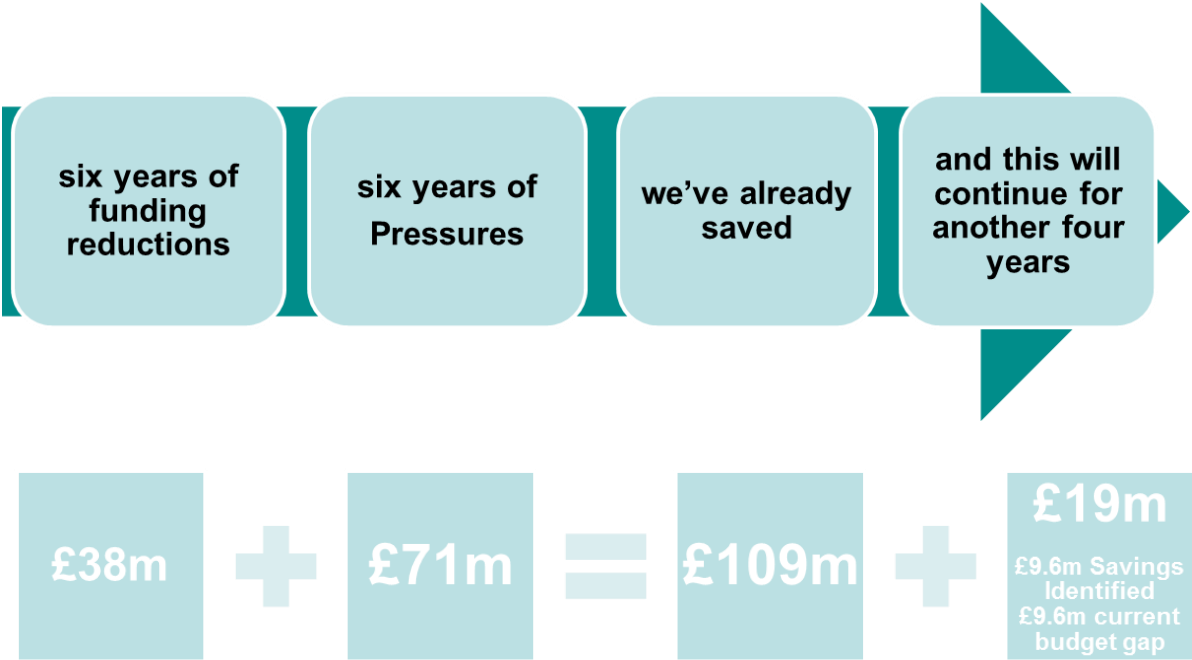
**5.13 The July 2018 Cabinet report reported that we had a £22.8million potential gap across the 2019/20 – 2022/23 period:**

The infographic below shows the Council's journey over the past six years.

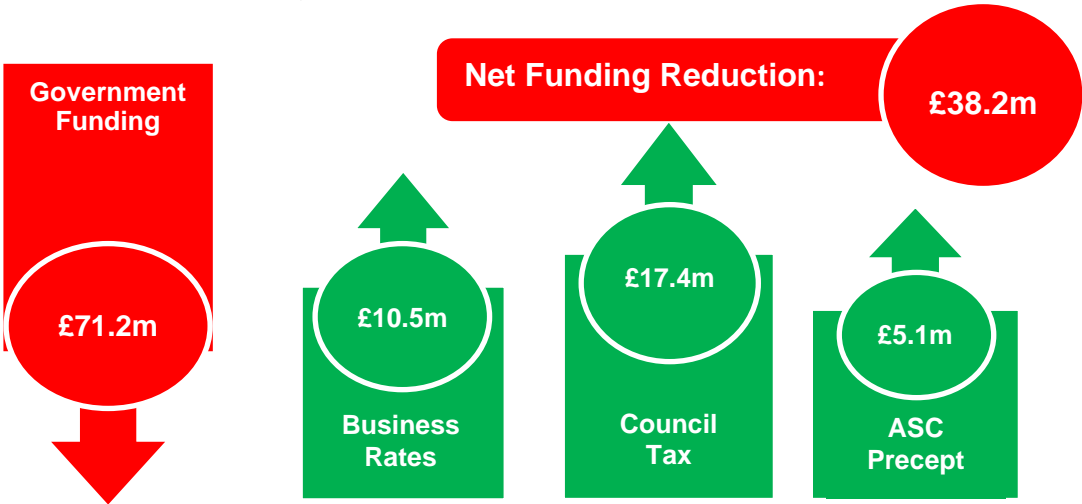


**5.14 The Current Funding Gap £9.6m**

Positive progress has been made, the previously identified July position of £22.8m has been revised with pressures; savings and funding forecasts updated to give an overall gap of £19.2m of which £9.6m of savings have been identified leaving an £9.6m gap at this stage.



**5.15 Net Funding reduction from 2013/14 to 2018/19:**  
 The infographic below illustrates how funding has moved from nationally sourced to locally sourced changes over the past six years.



**6. Medium Term Financial Plan as at 18 July 2018**

6.1 The table below shows our forecasted Medium Term Financial Plan position for 2019/20 to 2022/23 as presented to Cabinet on 18 July 2018



## MTFP Forecast 2019/20 - 2022/23

| MTFP – Year on Year Movements             | 2019/20<br>£000's | 2020/21<br>£000's | 2021/22<br>£000's | 2022/23<br>£000's |               |
|---|-------------------|-------------------|-------------------|-------------------|---------------|
| <b>Government Funding:</b>                |                   |                   |                   |                   |               |
| Reduction in Government RSG Funding       | 6,374             | 3,131             | 2,348             | 1,761             |               |
| Business Rates Tax Base Reduction/Growth  | (2,171)           | (2,012)           | (2,316)           | (2,406)           |               |
| Council Tax Base/Uplift Increases         | (2,693)           | (2,764)           | (2,544)           | (2,606)           |               |
| Other Grants                              | (1,284)           | 2,731             | 158               | 238               |               |
| Other Income from Fees and Charges        | (695)             | (715)             | (737)             | (759)             |               |
| Collection Fund Deficit/(Surplus)         | (3,025)           | -                 | -                 | -                 |               |
| <b>Total Movement in overall funding:</b> | <b>(3,494)</b>    | <b>371</b>        | <b>(3,091)</b>    | <b>(3,772)</b>    |               |
| <b>Budget Movements:</b>                  |                   |                   |                   |                   |               |
| Budget Pressures                          | 15,090            | 7,804             | 5,312             | 4,792             |               |
| <b>Total Budget Movements</b>             | <b>15,090</b>     | <b>7,804</b>      | <b>7,798</b>      | <b>4,792</b>      |               |
|   |                   |                   |                   |                   |               |
| <b>Sum Required to Balance Budget</b>     | <b>11,596</b>     | <b>8,175</b>      | <b>2,221</b>      | <b>1,020</b>      |               |
| Savings previously Identified             | (1,827)           | (460)             | (158)             | (154)             |               |
| Unachievable 2018/19 Savings              | 1,480             | -                 | -                 | -                 |               |
| Unachievable 2019/20 Savings              | 950               | -                 | -                 | -                 |               |
| <b>Current Budget Gap</b>                 | <b>12,199</b>     | <b>7,715</b>      | <b>2,063</b>      | <b>866</b>        | <b>Total</b>  |
|   |                   |                   |                   |                   | <b>22,843</b> |

- 6.2 This estimate has been continually revised since July based on reviews of current and future pressures and savings and forecast funding changes. The MTFP Model is a dynamic position and will continue to change as we move forward through the budget planning process.

## 7. Current Medium Term Financial Plan 2019/20 - 2022/23 Position

- 7.1 The table below shows a summary of the latest draft Medium Term Financial Plan for 2019/20 to 2022/23 with further detail at Appendix 3.

### MTFP Forecast 2019/20 to 2022/23

| MTFP – Year on Year Movements             | 2019/20<br>£000's | 2020/21<br>£000's | 2021/22<br>£000's | 2022/23<br>£000's |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Government Funding:</b>                |                   |                   |                   |                   |
| Reduction in Government RSG Funding       | 6,374             | 3,131             | 2,348             | 1,761             |
| Business Rates Tax Base Reduction/Growth  | (2,891)           | (2,877)           | (1,321)           | (2,103)           |
| Council Tax Base/Uplift Increases         | (3,813)           | (2,893)           | (3,258)           | (3,318)           |
| Other Grants                              | (1,220)           | 2,080             | 145               | 164               |
| Other Income from Fees and Charges        | (695)             | (716)             | (737)             | (759)             |
| Collection Fund Deficit/(Surplus)         | (1,173)           | (1,852)           | -                 | -                 |
| <b>Total Movement in overall funding:</b> | <b>(3,418)</b>    | <b>(3,127)</b>    | <b>(2,823)</b>    | <b>(4,255)</b>    |
| <b>Budget Movements:</b>                  |                   |                   |                   |                   |
| Budget Pressures                          | 15,824            | 6,490             | 5,300             | 5,160             |

|                                       |               |              |              |              |              |
|---------------------------------------|---------------|--------------|--------------|--------------|--------------|
| <b>Total Budget Movements</b>         | <b>15,824</b> | <b>6,490</b> | <b>5,300</b> | <b>5,160</b> |              |
|                                       |               |              |              |              |              |
| <b>Sum Required to Balance Budget</b> | <b>12,406</b> | <b>3,363</b> | <b>2,477</b> | <b>905</b>   |              |
| Savings Agreed in previous years      | (1,827)       | (235)        | (383)        | (154)        |              |
| New Savings Proposals                 | (2,420)       | (3,021)      | (916)        | (625)        |              |
| <b>Reserves:</b>                      |               |              |              |              |              |
| Use of Better Care Fund Reserve       | (2,685)       | 2,685        | -            | -            | <b>Total</b> |
| <b>Current Budget Gap</b>             | <b>5,474</b>  | <b>2,792</b> | <b>1,178</b> | <b>126</b>   | <b>9,570</b> |

- 7.2 The table above shows a reduction in the savings gap from £22.843m in July 2018 to £9.570m, a reduction of £13.273m. However there are still significant savings options amounting to **£5.474million** that need to be identified to provide appropriate options to set a balanced budget position for 2019/20 and an appropriate plan for the subsequent three years.
- 7.3 To help move to this position, in August 2018, each directorate was allocated with a savings target of a further £9million of savings plans across 2019/20 and 2020/21. Although delivery of this target is proving to be extremely difficult for the Service Budget Holders, this exercise is to stimulate alternative options. The work is ongoing and the aim is to give Cabinet a choice of proposals to assist in balancing the budget position and further detail is outlined in section 10.1.
- 7.4 The report outlines some operational savings options within the Corporate Resources Directorate and the Communities and Place Directorate that can be progressed now which do not require consultation. Appendix 4a outlines the savings to be considered for early progression and savings optimisation.

Appendix 4a also outlines a potential saving from charging for staff and councillor parking permits that will require consultation with staff, councillors and trade unions. Currently, parking permits are issued to employees to allow free use of designated public car parks operated by the Council.

It is proposed to withdraw this free facility and instead offer parking permits for sale to those employees and councillors.

## 8. The People's Directorate - Revenue Savings Proposals

### 8.1 Public Health

#### **Refocus the provision of Livewell and reduction in the controllable public health grant**

Livewell is the Council's lifestyle, behaviour change and public health prevention offer providing a range of services including smoking cessation and weight management. This service was due to be cut this year, but following last year's budget consultation, the level of provision and funding was maintained at a value of £1m including maintenance of £700,000 within the Public Health controllable budget plus the use of a £300,000 one-off reserve to maintain the service in 2018/19.

This proposal reduces the Council's spend on Livewell by £400,000. We will consult on a revised lifestyle and prevention offer in 2019/20 and beyond which continues to fund Livewell to a value of £600,000 (this will require the use of Public Health historical underspend which can be carried forward for this purpose).

This reduction will primarily be delivered through a reduction in Livewell's scale (the number of individuals within the programme will reduce through more targeted model of delivery to the most deprived areas only and delivery will be increasingly provided to groups rather than individuals). There will, however, also be some reduction in scope, with the following services unlikely to be delivered going forward:

- Council staff Wellbeing MOT and Workwell Programme.
- Out of hours GP coverage.
- Tier 3 bariatric surgery pathway.
- Cardiac rehabilitation.
- Respiratory ward clinic.
- Support for Mental Health Nicotine Replacement Therapy costs.

The remodelled service will continue to deliver:

- Weight management interventions will remain (a reduction in clients from 750 to 500). BMI criteria remains at 30
- Child weight management remains (5-17yrs) – number of children reduced from 150 to 75
- Active schools remains (reduction of 6 schools to 3)
- Liveability (LD) weight management remains
- Smoking cessation – remains, but reduction in number of 4 week quits from 1250 to 600 (maintaining NRT offer)
- NHS health checks (community) remain – number reduced from 1000 to 500

## **8.2 Adult Services**

### **Remodelling the remaining Council owned care homes and closure of the three remaining in house day centres.**

The Council currently operates three day centres for adults with learning disabilities, autism and older people. There was previous market testing to establish if there was any interest in providers to take over the running of the day centres as going concerns. Whilst it was recognised that the provision was valued by the customers who attended and their families, there was minimal interest from independent sector providers to take over the centres in their current guise. This was because the large day centres model was viewed as an outdated way of supporting customers whether adults with learning disabilities, autism or older people. Many providers operated small community based "hubs" from which support was delivered, but allowing individuals to travel from their hubs to access a wide range of services and opportunities across Derby.

- 8.3 Since the market testing, in the case of Aspect and Inspire, the day centres for adults with learning disabilities and autism, social workers have been sensitively and carefully working with customers and their families under-taking full re-assessments and reviews. This has led to many customers now having moved to alternative community settings, paid for by a "personal budget" and therefore the numbers of customers

currently attending is now very low.

- 8.4 In the case of Morleston Day Centre for the elderly, numbers are again low as on-going demand for daytime support is being redirected to alternative community and voluntary sector options as well as opportunities such as 'Shared Lives'.
- 8.5 This proposal is to undertake the necessary consultation with a view to formally closing Inspire, Aspect and Morleston Day Centres
- 8.6 In relation to the Council run residential care homes, this proposal continues the work already previously agreed by Cabinet to sell as going concerns three of the homes. Work is now well underway to complete the sale of the first three care homes and it is anticipated this will be completed by the end of the calendar year. Subject to appropriate consultation, this proposal would see the Council rationalising the remaining three Council owned care homes to operate over two sites. The proposal would be to retain Arboretum House for the primary use of providing 'step-down' and assessment beds for people leaving the Royal Derby Hospital, retaining Perth House for the same purpose and relocating Bonsal View. Due to the scale of capital work required at Warwick House it is proposed that this facility is decommissioned over time and declared as a surplus asset.
- 8.7 Review of younger adults care packages**  
We are proposing to review around 300 Adult care packages that may benefit from adopting an asset based approach to meeting eligible needs. This will build on our "community led support" ethos whereby we want to ensure individuals make the best use of alternative arrangements when being supported to more traditional formalised and initialised care arrangements. This will include completed full social work re-assessments to ensure we have an up to date picture of any individual's strengths and assets.
- 8.8 Re-prioritising statutory work in adult social care**  
Deprivation of Liberty Safeguards (DOLs) is a duty the Council carries out which ensures people who cannot consent to their care arrangements in a care home or hospital are protected if those arrangements deprive them of their liberty. Arrangements are assessed to check they are necessary and in the person's best interests. This proposal is to stop using third party/agency 'Best Interest Assessors' when undertaking this process and only use our own in-house assessors. This would require the service to carefully risk assess and prioritise cases.
- 8.9 Efficiencies in workforce learning and development**  
The proposal is to save £100k by rationalising the structure of the Adult Workforce Learning service. There is a likely reduction in FTE staffing of 2.6 posts.
- 8.10 Carelink**  
Carelink is the Council's 24/7 response and community alarm service supporting over 3000 customers who pay to receive the service. Carelink has recently been certified to the TSA Quality Standards Framework. TSA is the industry body for technology enabled care (TEC) services, representing over 350 organisations. The proposal is to restructure the service to ensure it operates safely and is able to develop to meet corporate objectives. The need for a structural review of the staffing arrangements was

highlighted as necessary by the recent TSA audit. The proposed saving is as a result the new structure whereby the cost are anticipated to be less than the current costs - primarily based on indicative salary grading changes.

#### **8.11 Re-modelling the universal offer to carers**

The main statutory duty in relation to carers is around completing an assessment around eligibility for support where a carer requests this. This assessment is increasingly carried out by social workers following initial conversations and contact with carers through a range of “universal” services. The Council has a wider duty under the Care Act around prevention, advice and information. The proposal to be consulted upon is around reducing and re-defining the universal offer for carers to cover the statutory requirements only. This will impact on existing commissioned support for carers as if agreed; anything that is beyond the statutory minimum requirements will no longer be funded.

#### **8.12 Children's Services**

##### **Removal of base budget for Troubled Families with corresponding funding ending in 2019/20**

At the end of 2019/20 the Troubled Families programme comes to an end as the grant ends. Unless there is an indication from the Department for Education that the programme will be extended the programme will end since it is not financially viable to mainstream. This proposal would see a reduction of 8 fte posts.

#### **8.13 Remodelling of the Connexions Service**

There has been a NEET (Not in Education Employment and Training) and participation strategy in place since 2013 to ensure the local authorities responsibilities and duties are met in relation to the numbers of young people who are engaged in recognised forms of education, training or employment (EET) when they leave statutory education. The service delivery model has not been reviewed since 2011 and it is timely to review form and function given the refreshed 2018 strategy. The review is also driven by the reduction in the Local Authorities’ reporting cohort. The review is proposing a reduction of 3 fte posts from an establishment of 19 fte.

#### **8.14 Social Impact Bonds**

Social Impact Bonds are an alternative form of social investment, increasingly used in the public sector to fund service improvements, involving local authorities, investors and providers. Our Social Impact Bonds Strategy was agreed by Cabinet on 12 September 2018. They are a different way of providing services since payments are made on the basis of clear outcomes being achieved rather than traditional methods of how the council funds or commissions services. Derby has been working closely with Nottingham City Council and Nottinghamshire County Council in developing a joint approach with a clear focus on developing a social impact bond approach for children in care and on the edge of coming into care – an area that has one of the most significant impacts on council budgets. These efficiencies will be delivered by reducing the cost of care to the Council.

#### **8.15 Redefining the local authority role in school improvement**

These proposals reflect the changing role of the local authority in the area of school improvement from one of traditionally providing an officer led school improvement service to maintained schools, to one which reflects the changing landscape of the

school system with more academies across the city, and working as a system leader with head teachers, the Regional Schools Commissioner and the Department for Education.

This proposal equates to a reduction in the school improvement service which equates to 3 fte post and would take the service down to the statutory minimum.

#### **8.16 Youth Offending Service (YOS) restructure**

A review of the Service has been undertaken. This concludes that there has been a 23% reduction in open cases since 2015/16 with overall practitioner caseloads reducing in the same period. The work is still complex and the YOS is a good service as demonstrated in the recent inspection. The proposals are to make a safe and reasonable reduction to the front line service.

This proposal would result in a net reduction of 3 fte posts.

#### **8.17 Remodelling of the service model for the provider of fostering and residential provision for children in care**

This is one of the most significant pressures facing councils and Derby is no exception.

Whilst our fostering recruitment strategy over the past two years has been more successful in recruiting foster carers, numbers are still too low for the children who require foster care and the external market is also becoming saturated.

In relation to the Council's duty to provide a sufficient number of foster placements for children in care, following a recent soft market test on fostering, the proposal is to commission the fostering recruitment function in another way. The savings are in relation to a reduction in the use of agency fostering places which are more expensive than those provided by our own carers.

- 8.18 For children who require residential care, over the past two years, the increasing level of complex and challenging needs experienced by young people has placed pressure on our ability to source suitable internal residential placements and resulted in more children being placed in external residential placements. This has meant that increasingly in our own Council run children's homes, 'bed blocking' across some of the homes has been necessary. The homes as they are currently configured are not consistently achieving best outcomes for young people and are not being fully utilised.

- 8.19 For residential care, based on the needs of young people who require residential care, the current homes configuration and staffing provision requires change to ensure those with complex needs and challenging behaviours can be safely accommodated within its current provision. The proposed reconfiguration of our children's homes will realise staffing savings of £200,000 principally through the closure of one home and utilising the use of an alternative building. The plans for this were considered and approved by Council Cabinet at their meeting on 10 October 2018.

The reconfiguration will result in a reduction of 4 FTE posts, however this will be managed through current vacant posts within the service.

## **8.20 Management review**

Management efficiencies will be achieved by rationalisation of senior manager arrangements across People Services.

## **8.21 Impact on Workforce**

The proposals contained in the report for the People's Directorate will potentially reduce the workforce by an estimated 119.1 full time equivalent posts (FTEs) if implemented. Some of these could be managed through the deletion of vacancies and potential TUPE transfers. Where redundancies are necessary they will be carried out in line with the Council's Consultation, Restructuring and Redundancy Policy.

The proposals contained in the report for the Corporate Resources Directorate will potentially reduce the workforce by an estimated 9 FTEs if implemented. These will be managed through the deletion of vacancies where appropriate. Any redundancies will be carried out in line with the Council's Consultation, Restructuring and Redundancy Policy.

Compulsory redundancies will be kept to an absolute minimum.

## **9. Review of the Latest MTFP Model for 2019/20 – 2022/23**

- 9.1 The latest forecasted financial position over the Medium Term Financial Plan period 2019/20 - 2022/23 is shown at Appendix 3 and shows a gap of £9.570million where savings still need to be identified and agreed.
- 9.2 This takes plans from the end of the Government's current four year confirmed funding settlement in 2019/20, plus a further three years of forecasts. We continue to face reductions in funding, significant increases in the demand for services and inflationary pressures over this period. It is therefore prudent for the sustainability of the Council to agree a four year medium term financial plan.

## **10. Priorities to Close the Gap**

### **10.1 Savings Targets**

As outlined in paragraph 7.3 above, the target for each directorate (based on the current four year shortfall of £9.570m and the savings already put forward) is:

- |      |                       |     |
|------|-----------------------|-----|
| i.   | Corporate Resources   | £1m |
| ii.  | Communities and Place | £2m |
| iii. | People                | £6m |

### **10.2 Service Reductions and Efficiencies**

In order to sustain a viable Council offer going forward, all areas of the Council need to be reviewed and service reductions and efficiencies found. Areas of focus includes:

- Contract renegotiation
- Children's Services
- Adults Services
- Road Maintenance
- Transport, including home to school transport
- Property

- Support Services
- Waste Management
- Culture
- Capital Programme and associated funding
- Staff redundancy programme
- Maximisation of income streams

### 10.3 **Budget Controls**

The 8 August 2018 Forecast of 2018/19 Outturn Cabinet Report for the period to 30 June 2018, outlined a £6.3m forecast pressure in 2018/19 with the main pressure of £6m being in the People Directorate. All appropriate budget controls to bring this pressure into balance are being explored within Divisional Management Teams.

- 10.4 Meanwhile, we are continuing to update assumptions in the model around funding forecasts including the latest Business Rates and Council Tax projections and New Homes Bonus estimates.
- 10.5 We will continue to identify savings/change proposals and articulate appropriate current and future years' service impacts in order to give Cabinet options to consider in order to balance the funding gap in the coming weeks.
- 10.6 Local government networks have recently suggested there could be further 'One off' funding allocated to councils through the Improved Better Care Fund (2), which is currently due to end on 31 March 2020. We have therefore included a further forecast allocation of £1.624m through to 2022/23 on this basis. We will continue to keep this situation under review and confirm any allocations to enable a robust financial plan as our MTFP develops.
- 10.7 The Chancellor has also recently announced that an Autumn Budget Statement will be made on 29 October 2018. Based upon ongoing lobbying for additional funding, it is possible that he may announce some additional funding for Social Care, but this is likely to be 'one off' in nature pending the outcome of the imminent 'Social Care' green paper.

## 11. **MTFP 2019/20 – 2022/23 Timetable**

- 11.1 To ensure that the MTFP and Service Plans can be developed effectively and savings targets delivered in time to produce a balanced budget in March 2019, it is important that a robust plan and timetable is agreed and kept up to date. The latest timetable is therefore outlined in Appendix 2.
- 11.2 We are aiming to produce a balanced budget for 2019/20 and indicative savings plans for 2020/21 -2022/23 for Cabinet Meeting on 12 December 2018. It is proposed that Public and Stakeholder Consultation on the overall budget will therefore take place from 13 December 2018 and continue into January 2019.



**This report has been approved by the following officers:**

|  |  |
|--|--|
| <b>Legal officer</b><br><b>Financial officer</b><br><b>Human Resources officer</b><br><b>Estates/Property officer</b><br><b>Service Director(s)</b><br><b>Other(s)</b> | Olu Idowu, Head of Legal Services<br>Toni Nash, Head of Finance<br>Liz Moore, Head of Human Resources<br><br>Don McLure, Strategic Director of Corporate Resources and S151 Officer  |
| <b>For more information contact:</b><br><br><b>Background papers:</b><br><b>List of appendices:</b>  | Toni Nash: <a href="mailto:Toni.Nash@derby.gov.uk">Toni.Nash@derby.gov.uk</a><br>Or Alison Parkin: <a href="mailto:Alison.Parkin@derby.gov.uk">Alison.Parkin@derby.gov.uk</a> for section 8<br><br>None<br>Appendix 1 – Implications<br>Appendix 2 – MTFP Timetable<br>Appendix 3 – Draft MTFP Summary<br>Appendix 4a – Savings Corporate Resources and Communities and Place Directorates<br>Appendix 4b – Savings People Directorate<br>Appendix 5 – Pressures |

|                     |
|---------------------|
| <b>IMPLICATIONS</b> |
|---------------------|

**Financial and Value for Money**

- 1.1 The financial and value for money implications outlined in the report.

**Legal**

- 2.1 The report demonstrates that the Council is taking appropriate action to meet its statutory requirement to deliver a balanced budget. What has also become clear during the recessionary period is that the public and other stakeholders are becoming more aware of the impact of successive budget cuts. The need to consult before any final decisions are made that translate into a service delivery change is acknowledged within the report. Equally important is the need to ensure that the Council complies with the public sector equality duty and undertakes an assessment of the impact of the savings proposals that may be agreed across all impacted sectors prior to a final budget decision being made.
- 2.2 It is important to ensure that where changes to public services are proposed particularly in relation to welfare provision, whether that is in the manner of provision or as a result of the need to accommodate budget reductions, consultation with relevant stakeholders is undertaken and its outcome and implications are considered prior to a final decision being made.
- 2.3 Equally important is the need to demonstrate compliance with the public sector equality duty by undertaking an equality impact assessment and for its outcome and implications to be considered. The report identifies proposals which, if approved, will affect children, older adults and persons with disabilities, all of which groups are statutorily protected equality strands under the Equality Act 2010.

**Personnel**

- 3.1 Subject to the approval of the recommendations, any proposal which may affect staff if implemented in 2019/20 would be subject to appropriate consultation with staff and trade unions. The proposals, if implemented, could result in redundancies, and the staff and trade union consultation would be carried out in line with the Council's Consultation, Restructuring and Redundancy policy.

**IT**

- 4.1 None directly arising.

**Equalities Impact**

- 5.1 All appropriate Equality impact assessments will be carried out with regard to the proposals

### **Health and Safety**

- 6.1 None directly arising.

### **Environmental Sustainability**

- 7.1 None directly arising

### **Property and Asset Management**

- 8.1 None directly arising

### **Risk Management and Safeguarding**

- 9.1 **None directly arising**

### **Corporate objectives and priorities for change**

- 10.1 The budget provides the financial resources to deliver key objectives and priorities.

## Appendix 2

### UPDATED BUDGET AND COUNCIL PLAN TIMETABLE 2019/20 – 2022/23

| KEY DATES                      | MEETING  | Commentary/Update   |
|--------------------------------|--|---|
| 16 October 2018                | CLT / Cabinet discussion on MTFP latest position   |   |
| October 2018                   | CLT / Cabinet discussion on MTFP latest position   | To be confirmed   |
| 29 October 2018                | <i>Government announce Draft Local Authority financial settlement as part of Autumn Budget</i>       | <i>Heads of Finance – could result in changes to the budget model</i> |
| 2 to 12 November 2018          | Portfolio holders approve draft budget for 2019/20 to 2022/23 for consultation.                      | Individual Strategic Directors– during first weeks of November        |
| 12 November 2018               | Portfolio holders approve draft Council Plan priorities for 2019/20 – 2022/23 and draft Final Budget |   |
| 12 November – 11 December 2018 | Produce Consultation Document and communications plan  | Consultation team, communications team with input from Finance        |
| November 2018                  | Completion of Equality Impact assessments for budget proposals                                       |   |
| November 2018                  | Public Scrutiny meetings   | To be confirmed   |
| 12 December 2018               | Cabinet Report   | Key milestone. Aim to set a balanced budget for 2019/20 by this date  |
| 13 December 2018               | Public consultation starts on draft budget and draft Council Plan (6 weeks)                          |   |
| 18 December 2018               | Budget scrutiny: Scrutiny Review Boards  | To be confirmed   |
| 18 December 2018               | Budget scrutiny: Executive Scrutiny Board  | Needs review as timetable has been updated in previous months.        |
| 22 January 2019                | Consultation Ends  |   |
| 28 January 2019                | Results of Public Consultation exercise compiled   | Consultation Team   |
| 13 February 2019               | Cabinet approve draft budget and Council Plan for 2019/20 to 2022/23                                 |   |
| 1 March 2019                   | Full Council approve budget and Council Plan for 2019/20 to 2022/23                                  |   |
| March 2019                     | <i>Government announce Final Local Authority financial settlement</i>                                |   |

\*All Equality impact assessments need to be completed as appropriate.

## Appendix 3

### Derby City Council – Draft Medium Term Financial Plan 2019/20 - 2022/23 - Year on Year Movement

|  | 2019/20<br>£000's | 2020/21<br>£000's | 2021/22<br>£000's | 2022/23<br>£000's |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Government Funding</b>  |                   |                   |                   |                   |
| Reduction in Government RSG Funding (four year settlement to 19/20, then 25% reduction year on year)     | 6,374             | 3,131             | 2,348             | 1,761             |
| Reduction in Public Health Grant (Indicative allocations announced for 19/20)                            | 509               | -                 | -                 | -                 |
| Reduction in New Homes Bonus   | 262               | 776               | 57                | 163               |
| Reduction in Education Services Grant  | -                 | 205               | -                 | -                 |
| Reduction in Housing Benefit Admin Grant   | 104               | 95                | 87                | -                 |
| Reduction in Local Reform and Community Voices   | 16                | 12                | -                 | -                 |
| Reduction in Independent Living Fund   | 34                | 32                | -                 | -                 |
| Increase in Improved Better Care Fund (IBCF1)  | (3,800)           | -                 | -                 | -                 |
| Reduction in Improved Better Care Fund (IBCF2)   | 1,655             | -                 | -                 | -                 |
| Removal of Trouble Families Grant (Grant ending 19/20)   | -                 | 960               | -                 | -                 |
|  |                   |                   |                   |                   |
| <b>Total Government Funding Adjustments</b>  | <b>5,154</b>      | <b>5,211</b>      | <b>2,492</b>      | <b>1,924</b>      |
|  |                   |                   |                   |                   |
| <b>Local Funding Sources</b>   |                   |                   |                   |                   |
| Council Tax  | (3,813)           | (2,893)           | (3,258)           | (3,318)           |
| Business Rates Tax Base Growth   | (2,891)           | (2,877)           | (1,321)           | (2,103)           |
| Collection Fund Adjustment   | (1,173)           | (1,852)           | -                 | -                 |
| Fees and Charges   | (695)             | (716)             | (736)             | (758)             |
|  |                   |                   |                   |                   |
| <b>Total Local Funding Adjustments</b>   | <b>(8,572)</b>    | <b>(8,338)</b>    | <b>(5,315)</b>    | <b>(6,179)</b>    |
|  |                   |                   |                   |                   |
| <b>Estimated Total Movement in Overall Funding</b>   | <b>(3,418)</b>    | <b>(3,127)</b>    | <b>(2,823)</b>    | <b>(4,255)</b>    |
|  |                   |                   |                   |                   |
| <b>Inflation Assumptions</b>   |                   |                   |                   |                   |
| Pay Inflation (1% had been assumed in 18/19. Actual 2% in 18/19 and 19/20. 2% assumed for 19/20 onwards) | 3,150             | 2,121             | 2,163             | 2,207             |
| Contractual inflation  | 1,976             | 2,032             | 2,089             | 2,146             |

|   |               |              |              |              |              |
|---|---------------|--------------|--------------|--------------|--------------|
| Energy and Supplies & Services Inflation  | 393           | 407          | 422          | 438          |              |
|   |               |              |              |              |              |
| <b>Budget Pressures</b>   |               |              |              |              |              |
|   |               |              |              |              |              |
| <b>People's Directorate:</b>  |               |              |              |              |              |
| Adult Services Review of Commissioned Care Costs (Living Wage Implications)         | 1,342         | -            | -            | -            |              |
| <b>Communities and Place Directorate:</b>   |               |              |              |              |              |
| Moorways Swimming Pool Running Costs (year tbc)                                     | -             | 400          | -            | -            |              |
| Cultural Events and Christmas Lights (19/20 is a reduction of a one off allocation) | (150)         | -            | -            | -            |              |
| Tree Management (Part removal of pressure given in 18/19)                           | -             | (100)        | -            | -            |              |
| <b>New Pressures:</b>   |               |              |              |              |              |
| Peoples Services - Apprentice Levy Staff Project Manager                            | 28            | -            | -            | -            |              |
| Corporate Resources - Risk Management Resource                                      | 48            | -            | -            | -            |              |
| Communities and Place - Additional Street-scene Work                                | 185           | -            | -            | -            |              |
| Peoples Adult Social Care Base Budget Pressures including Demographics              | 1,950         | 355          | 400          | 400          |              |
| Children's Services - Looked After Children Pressures                               | 4,000         | -            | -            | -            |              |
| Communities and Place - Free Garden Waste Collection Service                        | 722           | -            | -            | -            |              |
| Corporate Resources - Potential New Pressures                                       | 1,036         | 108          | 1,026        | (31)         |              |
| People's - Potential New Pressures  | 103           | (33)         | -            | -            |              |
| Communities and Place - Potential New Pressures                                     | 1,041         | 1200         | (800)        | -            |              |
| <b>Total Pressures</b>  | <b>15,824</b> | <b>6,490</b> | <b>5,300</b> | <b>5,160</b> |              |
| <b>Sum Required to Balance Budget</b>   | <b>12,406</b> | <b>3,363</b> | <b>2,477</b> | <b>905</b>   |              |
|   |               |              |              |              |              |
| Treasury Management including Capital Financing Costs                               | 687           | (235)        | (158)        | (154)        |              |
| Savings Proposals as agreed as part of 17/18 MTFP                                   | (2,514)       | -            | (225)        | -            |              |
| Unachievable 2018/19 Staffing Savings   | 1,863         | -            | -            | -            |              |
| Unachievable 2019/20 Staffing Savings   | 1,500         | -            | -            | -            |              |
| <b>Actions to mitigate Unachievable Staffing Savings above:</b>                     |               |              |              |              |              |
| Buyback of Additional Annual Leave  | (183)         | -            | -            | -            |              |
| Care Homes Staff Reduction in Service   | (560)         | -            | -            | -            |              |
| Removal of Troubled Families  | -             | (852)        | -            | -            |              |
| Public Health Service Efficiencies  | (509)         | -            | -            | -            |              |
| Corporate Resources - Potential New Savings   | (1,754)       | (593)        | (147)        | 60           |              |
| People's - Potential New Savings  | (2,312)       | (1,096)      | (564)        | (364)        |              |
| Communities and Place - Potential New Savings                                       | (465)         | (480)        | (205)        | (321)        |              |
| <b>Reserves:</b>  |               |              |              |              |              |
| Use Of Better Care Fund Reserve   | (2,685)       | 2,685        | -            | -            | <b>Total</b> |
| <b>Current Budget Gap</b>   | <b>5,474</b>  | <b>2,792</b> | <b>1,178</b> | <b>126</b>   | <b>9,570</b> |

**Corporate Resources Savings Plans**

| Service   | Saving Proposal Title  | Brief Saving Description   | 19/20<br>Proposed<br>Saving<br>£000's | 20/21<br>Proposed<br>Saving<br>£000's | 21/22<br>Proposed<br>Saving<br>£000's | 22/23<br>Proposed<br>Saving<br>£000's | Total<br>Saving | Potential<br>reduction<br>in number<br>of FTE's |
|---|--|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-----------------|---|
| <b>Savings to be considered for early progression</b> |  |  |                                       |                                       |                                       |                                       |                 |   |
| <b>Savings agreed in previous years</b>               |  |  |                                       |                                       |                                       |                                       |                 |   |
| Business Support                                      | Implementing a new 'Mail Hybrid' system  | Digitising out-going mail (Print to Post only)   | (37)                                  | -                                     | -                                     | -                                     | <b>(37)</b>     | -   |
| Property Services                                     | Savings in property management costs as a result of Property Rationalisation programme | Is dependent upon the closure of Queens Leisure Centre   | -                                     | -                                     | (225)                                 | -                                     | <b>(225)</b>    | -   |
| Corporate   | Review of Treasury Management including Minimum Revenue Provision                      | This calculation has been identified following a review of the Minimum Revenue Position calculation to reflect recommendations by the Council's Treasury Management Advisers (Arlinglose Close) and External Audit (Ernst and Young) and by funding the indicative capital programme | 687                                   | (235)                                 | (158)                                 | (154)                                 | <b>140</b>      | -   |

| Service                                 | Saving Proposal Title   | Brief Saving Description   | 19/20<br>Proposed<br>Saving<br>£000's | 20/21<br>Proposed<br>Saving<br>£000's | 21/22<br>Proposed<br>Saving<br>£000's | 22/23<br>Proposed<br>Saving<br>£000's | Total<br>Saving | Potential<br>reduction<br>in number<br>of FTE's |
|---|---|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-----------------|---|
| <b>New Savings indicative proposals</b> |   |  |                                       |                                       |                                       |                                       |                 |   |
| Business Support                        | Staffing Efficiencies   | Staffing Efficiencies within Business Support  | (118)                                 | (62)                                  | -                                     | -                                     | <b>(180)</b>    | 7   |
| Business Support                        | Additional Income from Department of Work and Pensions and Lister House | Providing Document Management Support  | (5)                                   | (5)                                   | -                                     | -                                     | <b>(10)</b>     | -   |
| Business Support                        | Multi-Functional Device reduction & cost/copy savings                   | Reduction in Print Management Contract   | -                                     | (50)                                  | -                                     | -                                     | <b>(50)</b>     | -   |
| Digital Services                        | Digital services base budget efficiency review                          | Microsoft spend efficiencies - £350k<br>Staffing Efficiencies - £70k<br>Modernised backup arrangements in digital services - £40k<br>Contract and licence management in digital services -£40k | (500)                                 | -                                     | -                                     | -                                     | <b>(500)</b>    | 1   |
| Property Services                       | Disposal of small land holdings   | Identification and sale of small pieces of land to generate an ongoing revenue saving - this is 'one off' only for 3 years as based on number of small   | (20)                                  | (20)                                  | (20)                                  | 60                                    | -               | -   |



|                               |   | land holdings.   |   |   |   |   |                         |   |
|-------------------------------|---|--|---|---|---|---|-------------------------|---|
| <b>Service</b>                | <b>Saving Proposal Title</b>  | <b>Brief Saving Description</b>  | <b>19/20<br/>Proposed<br/>Saving<br/>£000's</b> | <b>20/21<br/>Proposed<br/>Saving<br/>£000's</b> | <b>21/22<br/>Proposed<br/>Saving<br/>£000's</b> | <b>22/23<br/>Proposed<br/>Saving<br/>£000's</b> | <b>Total<br/>Saving</b> | <b>Potential<br/>reduction<br/>in number<br/>of FTE's</b> |
| Property Services             | Buildings Energy Conservation   | Develop Buildings Energy Management Improvement Plan, accessing Salix and other funds to achieve energy saving efficiency of our core buildings. An initial plan to improve the top 10 high consumption or poor energy rating buildings.   | (25)  | (25)  | -   | -   | <b>(50)</b>             | -   |
| Benefits & Exchequer Services | Revenues & Benefits - Increase Council Tax & Business Rates court costs | Increase court fees when making an application for a Council Tax/Business Rates liability order against non-payers in the Magistrates Court.   | (150)   | -   | -   | -   | <b>(150)</b>            | -   |
| Benefits & Exchequer Services | Revenues & Benefits - Review of Single Person Discount Database         | Undertaking a full review of the Council's single person discount database and then to ensure that all new awards for a three year period are reviewed using the same processes and techniques. This will require approval of an invest to save amount, valued at £152k which will be funded | (558)   | -   | -   | -   | <b>(558)</b>            | -   |

|   |  | from use of reserves.  |   |   |   |   |                         |   |
|---|--|--|---|---|---|---|-------------------------|---|
| <b>Service</b>  | <b>Saving Proposal Title</b>                             | <b>Brief Saving Description</b>  | <b>19/20<br/>Proposed<br/>Saving<br/>£000's</b> | <b>20/21<br/>Proposed<br/>Saving<br/>£000's</b> | <b>21/22<br/>Proposed<br/>Saving<br/>£000's</b> | <b>22/23<br/>Proposed<br/>Saving<br/>£000's</b> | <b>Total<br/>Saving</b> | <b>Potential<br/>reduction<br/>in number<br/>of FTE's</b> |
| Strategic Services & Organisational Development             | Organisational Development - Reduction in Future Service | Staffing efficiencies.   | (22)  | (22)  | -   | -   | <b>(44)</b>             | 1   |
| <b>Savings for early progression requiring consultation</b> |  |  |   |   |   |   |                         |   |
| Property Services   | Review of Staff and Councillor Car Parking               | Removal of free staff and councillor car parking and implementing charges for permits. | (175)   | (60)  |   |   | <b>(235)</b>            | 0   |
| <b>Further Savings identified: to be considered</b>         |  |  |   |   |   |   |                         |   |
| Corporate Resources   | Various  | N/A  | (181)   | (349)   | (127)   | -   | <b>(657)</b>            | TBC   |
| <b>TOTAL SAVINGS</b>  |  |  | <b>(1,104)</b>                                  | <b>(828)</b>                                    | <b>(530)</b>                                    | <b>(94)</b>                                     | <b>(2,556)</b>          | <b>9</b>  |

### **Communities and Place Savings**

| <b>Service</b>                                      | <b>Saving Proposal Title</b>                               | <b>Brief Saving Description</b>             | <b>19/20<br/>Proposed<br/>Saving<br/>£000's</b> | <b>20/21<br/>Proposed<br/>Saving<br/>£000's</b> | <b>21/22<br/>Proposed<br/>Saving<br/>£000's</b> | <b>22/23<br/>Proposed<br/>Saving<br/>£000's</b> | <b>Total<br/>Saving</b> | <b>Potential<br/>reduction<br/>in<br/>number<br/>of FTE's</b> |
|---|--|---|---|---|---|---|-------------------------|---|
| <b>Savings already agreed in previous years</b>     |  |   |   |   |   |   |                         |   |
| Libraries   | Transfer of libraries service to a Community Managed Model | Second year of the transfer of 10 libraries | (336)   | -   | -   | -   | <b>(336)</b>            | -   |
| <b>Further Savings identified: to be considered</b> |  |   |   |   |   |   |                         |   |
| Communities and Place                               | Various  | N/A   | (465)   | (480)   | (205)   | (321)   | <b>(1,471)</b>          | -   |
| <b>TOTAL SAVINGS</b>                                |  |   | <b>(801)</b>                                    | <b>(480)</b>                                    | <b>(205)</b>                                    | <b>(321)</b>                                    | <b>(1,807)</b>          | -   |

**People's Services Savings**

| Service   | Saving Proposal Title   | Brief Saving Description  | 19/20<br>Proposed<br>Saving<br>£000's | 20/21<br>Proposed<br>Saving<br>£000's | 21/22<br>Proposed<br>Saving<br>£000's | 22/23<br>Proposed<br>Saving<br>£000's | Total<br>Saving | Potential<br>reduction<br>in number<br>of FTE's |
|---|---|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-----------------|---|
| <b>Savings already agreed in previous years</b> |   |   |                                       |                                       |                                       |                                       |                 |   |
| Public Health                                   | Refocus of provision to the Livewell service                                  |   | (400)                                 | -                                     | -                                     | -                                     | <b>(400)</b>    | 9   |
| <b>TOTAL SAVINGS PREVIOUSLY AGREED SAVINGS</b>  |   |   | <b>(400)</b>                          | <b>0</b>                              | <b>0</b>                              | <b>0</b>                              | <b>(400)</b>    |   |
| <b>New Savings proposals</b>                    |   |   |                                       |                                       |                                       |                                       |                 |   |
| Public Health                                   | Reduction in the controllable public health grant                             | A reduction in the Public Health Offer within the City to reflect the reduction in the Public Health Grant                            | (509)                                 | -                                     | -                                     | -                                     | <b>(509)</b>    | -   |
| Adults  | Closure of remaining in house day centres- Morleston Street, Aspect & Inspire | Assist remaining adults eligible for day support to access community settings, closing empty day service buildings                    | (624)                                 | -                                     | -                                     | -                                     | <b>(624)</b>    | 29.5  |
| Adults  | Review of Adults Care Packages  | Undertake a review of Adult care packages where there is the potential to incorporate an asset based approach to meet eligible needs. | (350)                                 | (500)                                 | -                                     | -                                     | <b>(850)</b>    | -   |

| <b>Service</b> | <b>Saving Proposal Title</b>  | <b>Brief Saving Description</b>   | <b>19/20<br/>Proposed<br/>Saving<br/>£000's</b> | <b>20/21<br/>Proposed<br/>Saving<br/>£000's</b> | <b>21/22<br/>Proposed<br/>Saving<br/>£000's</b> | <b>22/23<br/>Proposed<br/>Saving<br/>£000's</b> | <b>Total<br/>Saving</b> | <b>Potential<br/>reduction<br/>in number<br/>of FTE's</b> |
|----------------|---|---|---|---|---|---|-------------------------|---|
| Adults         | Re-prioritising statutory work in adult social care                             | Review our approach to Deprivation of Liberty Safeguards which may reduce our need to undertake as many best interest assessments, reducing demand.           | (165)   | -   | -   | -   | <b>(165)</b>            | -   |
| Adult          | Efficiencies in workforce learning and development                              | A restructure within the Learning and Development Service to focus on essential learning needs only.  | (100)   | -   | -   | -   | <b>(100)</b>            | 2.6   |
| Adult          | Efficiencies from review of Carelink Service                                    | Restructure Carelink to meet the demands of the service and customers.  | -   | (100)   | -   | -   | <b>(100)</b>            | -   |
| Adult          | Re-modelling the universal offer to carers                                      | Refocus the Carers service offer to comply with statutory requirements in relation to prevention, advice and information duty; and review the delivery model. | (200)   | -   | -   | -   | <b>(200)</b>            | -   |
| Childrens      | Removal of Base Budget for Troubled Families corresponding Funding ending 19/10 | Troubled Families programme comes to an end as the grant ends.  | -   | (852)   | -   | -   | (852)                   | 8   |

| <b>Service</b> | <b>Saving Proposal Title</b>   | <b>Brief Saving Description</b>  | <b>19/20<br/>Proposed<br/>Saving<br/>£000's</b> | <b>20/21<br/>Proposed<br/>Saving<br/>£000's</b> | <b>21/22<br/>Proposed<br/>Saving<br/>£000's</b> | <b>22/23<br/>Proposed<br/>Saving<br/>£000's</b> | <b>Total<br/>Saving</b> | <b>Potential<br/>reduction<br/>in number<br/>of FTE's</b> |
|----------------|--|--|---|---|---|---|-------------------------|---|
| Childrens      | Remodelling of the Connexions Service                                | Staffing restructure of the Connexions Service   | (50)  | -   | -   | -   | <b>(50)</b>             | 3   |
| Childrens      | A remodelling of Child Placement Service through Social Impact Bonds | A reduction in the costs of placements for looked after children as their care packages are stepped down from high cost residential packages to supported foster care.                           | (113)   | (296)   | (364)   | (364)   | <b>(1,137)</b>          | -   |
| Childrens      | Redefining the local authority role in school improvement            | A staffing reduction in the School Improvement Service   | (150)   | -   | -   | -   | <b>(150)</b>            | 3   |
| Childrens      | Youth Offending Service Restructure                                  | Review the staffing structure of the Youth Offending Service   | (80)  | -   | -   | -   | <b>(80)</b>             | 3   |
| Childrens      | Remodelling of the service model for the provider of fostering       | Consider an alternative delivery model for the recruitment of foster carers. Savings deliverable from an increased rate of recruitment and a reduction in the use of agency fostering placements | -   | (200)   | (200)   | -   | <b>(400)</b>            | -   |

| Childrens   | Remodelling of the service model for the provider of residential provision for children in care | A review and reconfiguration of the Council run children's homes to respond to the changing needs of residential placements                               | (200)                        | -                            | -                            | -                            | (200)          | 4                                      |
|---|---|---|------------------------------|------------------------------|------------------------------|------------------------------|----------------|--|
| Service   | Saving Proposal Title   | Brief Saving Description  | 19/20 Proposed Saving £000's | 20/21 Proposed Saving £000's | 21/22 Proposed Saving £000's | 22/23 Proposed Saving £000's | Total Saving   | Potential reduction in number of FTE's |
| Children  | Use of Dedicated Schools Grant to fund Central Early Years Services                             | The Early Years Block of the Dedicated Schools Grant is provided to fund all early years' provision including sufficiency and quality assurance services. | (200)                        | -                            | -                            | -                            | (200)          | -                                      |
| People  | Management Review   | Review the management structure of the Directorate  | (80)                         | -                            | -                            | -                            | (80)           | 1                                      |
| <b>TOTAL NEW PROPOSED SAVINGS</b>   |   |   | <b>(2,821)</b>               | <b>(1,948)</b>               | <b>(564)</b>                 | <b>(364)</b>                 | <b>(5,697)</b> |  |
| <b>TOTAL SAVINGS</b>  |   |   | <b>(3,221)</b>               | <b>(1,948)</b>               | <b>(564)</b>                 | <b>(364)</b>                 | <b>(6,097)</b> | <b>63.1</b>                            |
| <b>Actions to mitigate unachievable savings as detailed in Appendix 3</b> |   |   |                              |                              |                              |                              |                |  |
| Adult   | Remodelling the remaining Council owned care homes  | Rationalise the remaining Council Owned care homes to operate over two sites - retaining Arboretum House and Perth house and relocating Bonsal View.      | (560)                        | -                            | -                            | -                            | (560)          | 56                                     |
| <b>TOTAL SAVINGS</b>  |   |   | <b>(3,781)</b>               | <b>(1,948)</b>               | <b>(564)</b>                 | <b>(364)</b>                 | <b>(6,657)</b> | <b>119.1</b>                           |

## Appendix 5

### Provisional New Pressures

| Directorate                         | 19/20<br>£000's | 20/21<br>£000's | 21/22<br>£000's | 22/23<br>£000's |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Corporate Resources                 | 553             | 205             | -               | -               |
| Corporate                           | 531             | (97)            | 1,026           | (31)            |
| Peoples                             | 7,423           | 322             | 400             | 400             |
| Communities and Place               | 1,798           | 1,500           | (800)           | -               |
| <b>TOTAL PROVISIONAL PRESSURES:</b> | <b>10,305</b>   | <b>1,930</b>    | <b>626</b>      | <b>369</b>      |