

BUDGET 2017-2020 – PROPOSED PORTFOLIO ACTIONS TO OPERATE WITHIN AGREED CASH LIMITS

WARDS AFFECTED

All

EXEMPT / CONFIDENTIAL ITEM

No

1.0 Introduction

- 1.1 The Council set a three-year Budget in March 2017 covering the period 2017-2020. The aim of the agreed Budget is to set a foundation for the Council's long-term aspirations of Growth and Care and Health Integration. These three elements of the Council's vision, a balanced budget, a growing local economy and Health and Care integration, are inextricably linked and are intended to deliver a sustainable future for the Borough.
- 1.2 The Budget was based on meeting the challenges of continuing Central Government imposed austerity, whilst meeting the Council's statutory responsibilities. It requires the delivery of £20.6m of savings over three years and service plans for Portfolios were set to achieve these savings by 2020.
- 1.3 The Cabinet, at its meeting on 18 July 2018, requested that Portfolios should identify the key decisions required to meet the Budget 2018-2020 to ensure they will operate within the cash limits agreed by Council.
- 1.4 Significant progress has already been made in meeting the financial challenge and this report highlights the further portfolio actions required to complete the Council requirement.

2.0 Current Developments Affecting the Budget

- 2.1 The Budget report considered by Cabinet on 18 July 2018 highlighted key risks which could affect the Council's finances. All of the key risks that were highlighted in the report are still relevant and continue to be monitored and will be reported on in future budget reports.

2.2 Price Inflation

One of the issues that was raised as a key risk in the July Cabinet report was Price Inflation. Rising inflation results in further pressure on budgets; at the time of the July report, price inflation was 2.4%, with an expectation that this would return to the Government target of 2% for 2019-20, but this has risen to 2.7% at the end of August.

2.3 Care Demand

As is the case across Local Government in England, the costs associated with Looked After Children continue to cause significant financial pressures for the Developing Young People portfolio. The annual cost in respect of Looked After Children has increased by approximately £4m over the previous two financial years, with further increases in 2018-19. The main reasons for the increase are the cost of placements for those children who are brought into care for the first time and the need for more complex placements for children whose existing care arrangements break down.

The Corporate Financial Report presented to Cabinet on 18 July 2018, reported that the 2018-19 budget model included £2.433m of projected gains from participation in the 100% Liverpool City Region Pilot. These gains were set aside in a reserve to cover the eventuality that these may not be realisable under the detailed terms of the pilot scheme. Having regard to the audited 2017-18 outturn positions and the mid-year forecasts provided by each pilot member, the Corporate Financial Report presented to Cabinet on 24 October 2018 proposes that £2m is re-aligned to People's Services Department to offset some of the budgetary pressures in relation to Looked After Children as part of the 2019-20 budget.

3.0 Summary Portfolio Actions

3.1 Each Portfolio has reviewed its Budget Strategy Statements agreed by Council in February and an updated summary is appended, highlighting the key decisions which will need to be progressed to allow it to manage within its set cash limit. Also appended to the report are more detailed schedules of future decisions, along with the financial outcome of decisions already implemented.

3.2 Within the People's and Place Services Departments, the remaining savings options for 2018-19 and 2019-20 have been reviewed for continuing relevance. As a result, a number of adjusted and new options are being put forward. These are detailed in the schedule of proposed savings appended to the relevant Department's Budget Strategy reports. Impact assessments relating to the amended and new savings options have been completed.

4.0 Budget Strategy Risk Assessment 2018-2020

4.1 A risk assessment has been undertaken to establish the overall value of the risk facing the Council through to 2020. These risks include the key risks highlighted in the Budget Report presented to Cabinet in July 2018, as well as any other risks identified subsequently. If these risks materialise, they will add to the position highlighted in Section 1.2 above. The risks are highlighted in the following table:-

Risk to Budget Position	£m 2018-19	£m 2019-20	Basis	Risk Category 'Likelihood'
Additional local Council Tax Support claimants	0.3	0.6	Based on 2% increase per annum	Medium
Loss of Business Rates	1.0	2.0	Based on 2% reduction per annum	Medium
Demand – particularly in care services	4.0	8.0	Previous Underlying Demand Levels	High
Price inflation	1.0	2.0	Based on rate exceeding model provision by 1%	Medium
Market Influences	1.0	2.0	Based on costs exceeding model provision by 1%	Medium
LCR Pilot Members in Detriment	2.0	2.0	Amount utilised from Business Rates Pilot Reserve	Low
Total Risk Value	9.3	16.6		

4.2 The above, if realised and unresolved, will add to the existing budget. Each risk area will be monitored throughout the period to determine whether they will have an impact on the overall financial position of the Council.

5.0 Human Resources Implications

5.1 Consultation has been undertaken in the schedule of savings with the Trade Unions and with specific employee groups as necessary.

5.2 Consultation will continue and specific consultation will take place as each particular decision is taken and will comply with normal council policies in terms of redeployment and redundancy.

6.0 Beyond 2019-20

6.1 Local Government finances are faced with a period of significant uncertainty which make producing a budget for the 2020-21 financial year and beyond extremely difficult. It is also relevant to state that there is no indication of significant additional funds being allocated to Local Government. The significant uncertainty arises as a result of a number of separate factors, which were reported to Cabinet in the Budget Report considered on 18 July 2018 and include the following:

6.2 Comprehensive Spending Review

The certainty offered by the current long term funding settlement will cease in 2019-20 and the government has announced that it will undertake a full review of departmental funding next year after the publication of the overall spending envelope later in 2018.

6.3 Fair Funding Review and needs assessment

The Government has announced a review of the Funding Formula which is used to calculate baseline funding allocations for local authorities. Government are considering a wide range of options by looking at the factors that drive costs and identifying approaches to measure the relative needs of local authorities. The Government's intention is to publish a series of technical consultations, followed by the 'broad outlines' of the new system in late 2018. 'Indicative numbers' will then be made available in spring to early summer 2019, followed by 'final numbers' in autumn 2019.

6.4 Business Rates Reset

Within the business rates retention scheme, the determination of the business rates baseline could be considered to be the most important element in determining an authority's ability to meet the resources amount allocated to it within the Settlement Funding Assessment. The current business rates baseline has been in place since 2013-14 and is due to be updated through a reset process. Alternative approaches to the reset are being considered and the impact of the reset is unknown at the moment. The length of time between future resets is also unknown, as is the existence or otherwise of transitional arrangements between reset periods.

6.5 Business Rates Retention

Since 2013-14, councils in England have retained 49% of business rates. The Government announced an intention to move to a system whereby local authorities retained 100% of business rates and introduced a number of pilot areas in 2017-18 to trial the system. The intention was that all authorities would move to this system by 2020 but, following the election in 2017, the Government have announced plans to move towards a 75% business rates retention system from 2020-21. There is uncertainty whether the current 100% retention pilot areas, St Helens being a member of the Liverpool City Region Pilot, will continue after 2019-20 or revert to the new 75% system.

6.6 Social Care Funding

As part of the Government's previous financial settlements it announced that it would develop long-term reforms that will provide a sustainable system for everyone who needs social care, in order to finish the job of integrating health and social care systems. In November 2017 the Government announced that it would publish a green paper on care and support for elderly people by summer 2018. The paper has been delayed and, whilst officially expected in Autumn 2018, Government have hinted that publication may be further delayed.

Improved Better Care funding was first announced in the 2015 Spending Review and grant allocations were increased in the 2017 Spring Budget in recognition of the pressures facing all local authorities on the provision of adult social care. This additional funding was announced for the period 2017-2020 but no indication has been given as to whether this funding will continue post 2019-20.

In addition, the ability for Councils to raise a social care precept beyond 2019-20 is unknown.

7.0 RECOMMENDATIONS

- 7.1 Cabinet approves the individual savings schedules and requires the individual portfolios to progress them to final decisions within the timescales listed.
- 7.2 Portfolios continue to monitor and manage their services within the agreed Cash Limits.
- 7.3 Cabinet delegate authority to the Strategic Directors, in consultation with the relevant Portfolio Holder, to progress the key decisions within the savings schedule and to undertake any required stakeholder consultation, including trade unions, and equalities impact assessments.

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Background documents open to inspection in accordance with Section 100D of the Local Government Act 1972

The following list of documents was used to complete this report and is available for public inspection for four years, from the date of the meeting, from the contact officer named above:

Budget Working Papers

Appendix 1: Portfolio Summary Budget Strategy Statements and Savings Schedules

Portfolio Summary Budget Strategy Statements and Savings Schedules

People's Services Department

Cash Limits were set for all departments at the Council meeting in March 2017 which included a requirement to make £20.6 million of savings. The People's Services Department's share of this is £10.477 million. These savings are profiled to be made across the three financial years; savings to the value of £7.826 million have already been achieved, with a further £2.651 million of efficiencies to be taken in the financial years 2018-19 and 2019-20, details of which are set out in the table at the end of this section.

Each Portfolio will consider recurrent and emerging pressures as part of the process to achieve a balanced budget. The individual Portfolio Budget Strategy summaries follow below.

1. Adult Social Care Portfolio

1.1 Budget Pressures

The Portfolio has identified key financial pressures within the Adult Social Care budget including:

- (i) demographic and demand pressures, particularly within the Frail Elderly and Learning Disabilities service user groups;
- (ii) costs associated with placements for young people with complex needs who transition from children's to adult's services; and the impact on adult services of the decommissioning of specialist health provision within the NHS;
- (iii) contraction of funding arising from national funding allocations;
- (iv) inflationary demand pressures based on prevailing rates and the effect on contractual arrangements; and
- (v) the impact of the National Living Wage.

1.2 Portfolio approach to achieving a balanced budget

1.2.1 The level of efficiency savings required for 2017-2020 is significant and the Portfolio has considered and implemented a range of proposals. The Portfolio has reviewed the remaining savings options for continued relevance and, as a result, a range of adjusted and new options are being put forward.

1.2.2 In summary, the key efficiency proposals include:

- (i) remodelling of Supported Living services;
- (ii) review of day care services;
- (iii) review of subsidies and policy for chargeable services;
- (iv) review of allocation of BCF funding;
- (v) review of Direct Payment packages; and
- (vi) maximising income generation.

The Portfolio has benefitted from additional funding relating to the timeframe of 2017-2020 from both the Adult Social Care Support Grant and the additional Council Tax precept. The Support Grant equated to £967,000 in 2017-18 and £602,000 in 2018-19. The precept was available across the three years of 2017-2020; however, the Council opted to apply it in 2017-18 and 2018-19. This equates to £629,000 in 2017-18 and £689,000 in 2018-19.

This report should be taken within the context of the developing Local Care System (LCS) which is borough wide and encompasses all public sector organisations. The aim of the LCS

is to identify where organisations can work together to provide care services more efficiently and more effectively for the people of St Helens in the context of a significant funding gap by 2020-21.

1.3 Improved Better Care Fund

The Portfolio is implementing a range of initiatives in line with the objectives of the Better Care Fund for which the level of funding available for St Helens is £24.613 million in 2018-19. In conjunction with health partners, the plan for 2017-18 and 2018-19 was put together in line with published guidance and deadlines. The plan was approved by the People's Board in September 2017.

The Improved Better Care Fund (iBCF) announced as part of the settlement has been built into the Portfolio's base budgets. The further iBCF announced as part of the 2017 Spring Budget equates to £2.752m for 2018-19 and is included in the BCF allocation. The main aims of the funding are to:

- meet adult social care needs;
- reduce pressures on the NHS; and
- support the local social care provider market.

Areas of expenditure in both the current BCF plan and the Cabinet report that was approved in August 2017 are in line with these conditions.

The iBCF announced in the 2017 Spring Budget reduces for both 2018-19 and 2019-20, although this is mitigated to some extent by increases in the original iBCF allocation.

2. Developing Young People Portfolio

2.1 The Portfolio's budget comprises two elements:

- the central budget, which is funded by the Portfolios' cash limit; and
- the schools budget, which is funded by the ring-fenced Dedicated Schools Grant.

2.2 Budget Pressures

2.2.1 Looked After Children

There is an increasing number of children and their families who are dependent on support from the Authority as is the case across Local Government in England. In particular, safeguarding, accommodating and caring for looked after children, constitutes the most significant budget pressure for the Portfolio. Although the overall looked after children population is growing nationally, the number of children looked after within the Authority remains high. The national picture has reduced the number of available placement opportunities and consequently driven costs upwards and it is often difficult to identify appropriate settings that will accept the most challenging young people.

There is an increasing level of complexity in the cases of children and young people requiring statutory services / care, and this is often associated with the health of the child or their parent. As child survival rates improve, the number of children with complex needs is growing, and if these children become looked after, then the costs can be significant. Similarly, an increase in the incidence of poor parental mental health, for example linked with substance abuse, can lead to the neglect of children. Furthermore, the age profile of looked after children can also have a significant impact; for example, the older the child is when they become a first time entrant into care, the higher the possibility they will require more expensive residential accommodation rather than a fostering arrangement.

An increasing number of looked after children in residential and foster care arrangements, together with young people who are supported in semi-independent living, have needs that require an additional level of support, such as extra staffing resource, often at significant cost.

2.2.2 Schools Budget

There are significant financial pressures nationally in this sector in respect of funding for high needs pupils. Funding within the High Needs Block of the Dedicated Schools Grant is not sufficient to meet the underlying level of demand given the significant increase in the number of pupils with statements or Education, Health & Care Plans. There is also an increase in the number of high needs pupils whose educational requirements cannot be fully met in a mainstream setting and require a place in a specialist independent provision, usually with significant cost implications. The National Funding Formula reforms have left local authorities with very limited scope to be able to address financial issues at a local level, where there is increasing demand / costs in respect of special educational needs pressures.

Many schools maintained by the Authority are experiencing significant financial strain as a consequence of historically unfunded pay increases for teachers and support staff, increases in employer costs for national insurance and pensions contributions, the introduction of the apprenticeship levy and the eroding impacts of inflation. Whilst the additional funding announced in July 2017 along with the Teachers Pay Grant announced in July 2018 was welcomed, this does not go far enough to mitigate the cumulative impact of prior year real term cuts.

2.2.3 Transport Costs

There is an increasing number of children and young people with special educational needs and disabilities (SEND) who require transport assistance to facilitate their attendance at school / college. The duty under the Children and Families Act 2014 to provide an Education, Health and Care Plan for all children with SEND (age 0-25) includes an element of transport. The limited number of available places at in-borough special schools, and the implications of SEND tribunal decisions, have increased the number of students with SEND being placed out of borough with associated transport costs.

2.3 Portfolio approach to achieving a balanced budget

The portfolio will continue to review all aspects of its services to identify and deliver both efficiencies included within the cash limit, and also to mitigate the impact of financial pressures arising from the continued demand for children's social care services, in particular those relating to looked after children.

Delivery of the three-year social care plan continues to be progressed. The Portfolio will seek to manage budgetary pressures associated with looked after children by discharging children from care where it is safe and appropriate to do so, reducing the incidence of placement breakdown and by developing alternative and cost effective care options. The Portfolio will continue to develop a robust early intervention offer to help stem the escalating level of children and young people entering the care system.

The Portfolio continues to engage with schools to identify options to manage and mitigate pressures within the schools' budget. The Portfolio will consider the options for alternative service delivery arrangements in respect of education support services, which also encompasses support for high needs pupils, and this may include cessation or reduction of services.

3. Better Health and Building Arts and Culture Portfolio

3.1 Public Health Grant

Funding for Public Health services is via a Public Health Grant allocation which for 2018-19 is £14.262 million. Since 2015-16, there have been steady reductions applied to the level of grant of around 2.6% per annum which will continue, with an indicative allocation for 2019-20 of £13.885 million. This funding is still currently ring-fenced although this is likely to change in future years.

3.2 Arts and Culture Services

The Portfolio also incorporates a range of services that aim to improve the wellbeing of the local population, and these include Arts and Music Services.

3.3 Budget Pressures

There are a number of services funded from the Public Health Grant for which activity is a key driver including the NHS Health Check Programme. As demand for health services increases, this can lead to financial pressures.

The continued expected reduction in grant and the likely cessation of the ring fence will both bring pressures to the Portfolio. Also, the nature of some of the Public Health services being provided are demand led and as such have the potential to bring cost pressures.

With regards to Well-Being services, arts and culture is mainly grant funded. As further pressure from Government is put on departments to find efficiency savings, the potential for a reduction in the grant to fund the services becomes more likely.

3.4 Portfolio approach to achieving a balanced budget

The Portfolio has already achieved savings options as agreed and will continue to progress outstanding actions within the agreed timescales.

Significant options include:

- (i) Review of procurement strategy in line with contract expiration dates
- (ii) Transfer of some services in-house where this demonstrates value for money
- (iii) Integrated working – Child Health

The Portfolio has previously identified a level of contingent balances within the annual Public Health allocation. The Portfolio will consider this funding for future utilisation in line with Public Health requirements and the criteria laid down in government guidance.

Schedule of Proposed Savings 2017-2020

Note: This is a schedule of intended savings as part of the three-year budget setting process. Individual elements are subject to separate decisions and inclusion in the tables below does not constitute a decision in itself.

Title	Description	Impact £'000	Planned Date for Implementation
<u>People's Services Department</u>			
Adult Social Care Portfolio			
Review of Supported Living Services	Remodelling of Supported Living services across both commissioned and in-house provision	1,290	2019-20
Review of the staffing structure of the Quality Monitoring team	Deletion of one vacant post	40	2018-19
Development of in-borough autism services	Expected cost effectiveness relating to the development of new autism day service in-borough	100	2019-20
Expected BCF inflationary uplift	BCF inflationary uplift expected to be received to March 2020	521	2018-19 & 2019-20
Review of Day Services	Review of support provided for day care activities taking into account equity across service user groups	200	2019-20
Fees and Charges review	Remove the subsidy to self-funders when charging for Domiciliary Care	200	2019-20
Review of Direct Payments	Combination of a review of packages and the level of recoupment of outstanding balances held by service users	200	2019-20
Developing Young People Portfolio			
Review of budget provision for supplies and services	Reduce non-social care supplies and services/equipment budgets across the Portfolio	100	2019-20
Total savings still to be implemented 2017-2020		2,651	
Total already implemented or decision not required 2017-2020		3,825	
	Savings options achieved	4,001	
Grand Total – People's Services Department 2017-2020		10,477	

Place Services Department

Summary Proposals

Cash Limits were set for all departments at the Council meeting in March 2017 which included a requirement to make a total of £20.6m of savings. These savings are profiled across three financial years 2017-2020.

Each Portfolio will consider current and emerging budget pressures and the savings required to remain within provisional cash limits. The Department has identified a total of £7.896m savings to be achieved over the three-year period. Of this, £5.110m has already been achieved with £2.786m to be implemented by 2020. Details of savings to be agreed are set out in the table at the end of this section.

The individual Portfolio Budget Strategy summaries are detailed below.

1. Better Neighbourhoods Portfolio

1.1 Portfolio approach to achieving a balanced budget

In bringing forward the three-year budget proposals the Portfolio considered various options to achieve the significant efficiency savings required by 2020.

- Review of Highways programmed maintenance and reactive maintenance budget, affecting programmed surfacing and treatments of carriageways and footways, reactive repairs to carriageways, gully cleansing and dealing with flooding;
- Review of School Crossing Patrol;
- Review of specification for Street Cleansing;
- Review of grounds maintenance in parks, cemeteries and open spaces;
- Investigate feasibility of transferring “green assets”, eg. parks, to the voluntary sector;
- Review of Ranger Service;
- Review of Waste and Recycling;
- Review of all staffing across the department;
- Review of Councillor Improvement Fund;
- Review of Accommodation;
- Review of Transport vehicles; and
- Investigate the potential for shared services.

1.2 Budget Pressures

The Portfolio has identified the following key financial pressures:-

- Price inflation, affecting, in particular, Highways contracts, has historically been above that allowed for inflation as costs of fuel and materials have fluctuated;
- Energy costs have in previous years exceeded inflation allowances and contracts for electricity have seen significant increases, impacting in particular on Street Lighting;
- Services to schools have been impacted by decisions of school governing bodies which have externalised services such as Caretaking, Cleaning and Catering. As more schools go outside the local authority or change to Academy status, there is a risk that the remaining services become unviable;

- Waste and recycling budgets have in the last couple of years had significant budget pressures mainly from additional staffing costs and income fluctuations from the sale of recyclable materials; and
- Income from Car Parks did not achieve target last financial year. In 2017-18 car park charges were increased for the first time in several years, moving away from the 'free after three' and 'free Saturday' promotions, by introducing a nominal charge for Saturdays and retaining free Sunday parking. Whilst income levels have increased to achieve savings targets, the budget gap from last year remains.

2. Balanced Development, Housing and Economic Opportunity Portfolio

2.1 Budget Pressures

The Portfolio has identified the following key financial pressures:-

- Energy costs in past years have outstripped inflation which is a particular issue for the Portfolio as it acts as Corporate Landlord and contains the budget for operational properties;
- The economic downturn has impacted on the income received from town centre properties due to the number of vacant units. This budget shortfall has been exacerbated as reduced rentals have been agreed with prospective occupants in order to minimise vacancies; and
- The economic downturn has also impacted on market income and the current trading climate is difficult for the three markets.

2.2 Portfolio approach to achieving a balanced budget

The Portfolio has considered various options to achieve the significant efficiency savings required by 2020.

- Rationalisation of the Council's Estate; and
- Review of Strategic Events.

3. Community Based and Focused Services Portfolio

3.1 Budget Pressures

The Portfolio has identified the following key financial pressures:-

- The Homelessness Reduction Act 2017 significantly reforms homelessness legislation which will require local authorities to provide new homelessness services to all those affected, not just those protected under existing legislation. Impact of this to be considered in a further report to Cabinet.
- The establishment of the National Living Wage and the intention to increase this rate incrementally to at least £9.00 in 2020 places potential additional financial pressure on the Supporting People programme; and
- The Leisure Service is competing within a rapidly changing market place. Increased competition has developed with the introduction of 'budget' gyms alongside an increasing focus on cost reduction and income maximisation when users' disposable income is under pressure due to the economic downturn.

3.2 Portfolio approach to achieving a balanced budget

The Portfolio has considered various options to achieve the significant efficiency savings required by 2020.

- Review of staffing structures;
- Review of contractual arrangements;
- Review of expenditure on supplies and services;
- Maximisation of income generation;
- Freedoms and flexibilities of capital funding; and
- Review of Library Service provision in the Borough.

The Portfolio will continue to review the Supporting People programme to identify reductions to the level of commissioned support. This will ensure that the budgeted efficiencies within the cash limit are achieved.

Schedule of Proposed Savings 2017-2020

Note: This is a schedule of intended savings as part of the three-year budget setting process. Individual elements are subject to separate decisions and inclusion in the tables below does not constitute a decision in itself.

Title	Description	Impact £'000	Planned Date for Implementation
<u>Place Services Department</u>			
Better Neighbourhoods Portfolio			
Waste & Recycling Review	Review of Recycling & Waste Services with an option to move to 3 weekly collection for residual waste subject to implementation of pilot and assessment of results	100 100 35	2018-19 & 2019-20 2018-19
	Review of charges for containers		
Cessation of Programmed Highway Maintenance	No programmed resurfacing or treatments on carriageways and footways	231	2019-20
Engineering-Shared Services	To investigate potential for shared service with Knowsley & Halton for Urban Traffic Control / Bridges	20	2019-20
Electric Vehicles	Saving from reduction in fuel costs	10	2019-20
Review Accommodation-Hardshaw Brook Depot	Investigate feasibility of merging Security at Hardshaw Brook, Wesley House and Careline . Review of Hardshaw Brook Depot site.	70	2019-20
Reduce specification -Street Cleansing	Further 20% reduction in Street Cleansing specification	137	2019-20
Further reduction in Grounds Maintenance Specification	Reduction to basic health & safety level	110	2018-19
Parks Management Review	Investigate feasibility of transfer to voluntary sector of "green assets"	50	2019-20
Review of Ranger Service (see note after table)	Review of service model	133	2018-19
Councillor Improvement Fund	Reduction in Councillor Improvement Fund	200	2019-20
Increase Parking fees	Increase fees for on street and off street parking	89	2018-19
Long Stay Parking	Introduce a fee for long stay parking at neighbourhood car parks	25	2017-18
Review of Staffing Structure	Review of staffing structure following departmental integration	78	2019-20
Balanced Development, Housing & Economic Opportunity Portfolio			
Public Buildings	Rationalisation of Public Buildings	355	2019-20
Community Based and Focused Services Portfolio			
Libraries Review	Following consultation and full review of service provision, options to deliver statutory requirements	943	2019-20

Leisure Services	Saving from change in VAT regulations	100	2019-20
Total savings still to be implemented 2017-2020		2,786	
Total already implemented or decision not required 2017-2020		5,110	
Grand Total – Place Services Department 2017-2020		7,896	
Note: As stated in Para 2.4.4 of the Corporate Financial Report resources are available to fund this service with a formal decision to follow.			

Corporate Services Department

Summary Proposals

Cash Limits were set for all departments at the Council meeting in March 2017 which included a requirement to make £20.6 million of savings and the share of this for the Corporate Services Department, which includes the Collaborative Resources and Council Leader Portfolios, is £2.2 million. These savings are profiled to be made across the three financial years; savings to the value of £1.412 million have already been achieved, with a further £0.788 million of efficiencies having been agreed with Managers, to be taken in the financial year 2019-20.

1.1 Budget Pressures

The department will consider recurrent and emerging pressures as part of the process to achieve a balanced budget. The following key financial pressures have been identified within Corporate Services Department:

- (i) Reduction in grants for the administration of Housing Benefit and Council Tax Reduction Scheme;
- (ii) Achievement of the savings target for the period 2017-2020;
- (iii) Inflationary pressures based upon prevailing rates and the effect on contractual arrangements; and
- (iv) Potential reductions in income from service level agreements with external bodies who face similar reductions in government funding due to austerity measures.

1.2 Portfolios approach to achieving a balanced budget

The Portfolios have contributed to the savings requirement over 2017-2020 by identifying savings options in the following areas:

- (i) review of staffing structures;
- (ii) review of contractual arrangements;
- (iii) review of expenditure on supplies and services;
- (iv) maximisation of income generation; and
- (v) fundamental review of all services.

In line with the Budget Strategy, any reductions in specific grant funding will require spend to be reduced accordingly within the areas supported by those grants.

As part of the budget setting process, the Portfolios have undertaken some initial analyses of the equalities and other legal impacts of future proposals and will continue to refine these.

1.3 Conclusion

Via the measures identified in this summary report, the Portfolios will be able to meet the combined savings target and deal with any service specific pressure areas for 2019-20.

Schedule of Proposed Savings 2017-2020

Note: This is a schedule of intended savings as part of the three-year budget setting process. Individual elements are subject to separate decisions and inclusion in the tables below does not constitute a decision in itself.

Title	Description	Impact £'000	Planned Date for Implementation
<u>Corporate Services Department</u>			
Retirement Benefits	Reduction in Retirement benefits budget	200	2019-20
Parkside Interest	Build in income budget for Parkside Interest	200	2019-20
YPO Dividend	Build in income budget for YPO Dividend	250	2019-20
Supplies and Services	No inflationary increase on Supplies and Services	68	2019-20
Reduce Contributions to External Organisations	A reduction in contributions to external organisations	50	2019-20
Corporate Services Management	Review of Corporate Services management structure	20	2019-20
Total agreed by Managers to be made in 2019-2020		788	
Total already implemented or decision not required 2017-2020		1,412	
Grand Total – Corporate Services Department 2017-2020		2,200	