

Merton Council
Overview and Scrutiny Commission
11 November 2020
Supplementary agenda

4 Budget/Business Plan scrutiny (round 1)

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Committee: Overview and Scrutiny Commission **11 November 2020**

Subject: Business Plan 2021-2025

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Councillor Mark Allison,

Contact officer: Rosie Mckeever, Scrutiny Officer

Recommendations:

- A. That the Panel notes and comments on the attached Draft Business Plan Report which will be considered by Cabinet on 9th November 2020.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. Due to the impact of COVID-19 and the expected timing of the announcement on the local government settlement, scrutiny panels will have the opportunity to discuss and comment on full budget proposals in the New Year. The Director of Corporate Services will provide a verbal update on the latest budget position at the November meetings of the scrutiny panels.

2 DETAILS

- 2.1. The attached Business Plan will provide background information and form the basis of discussion with the Director of Corporate Services on the latest budget position.

3 ALTERNATIVE OPTIONS

None in relation to this covering

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. None in relation to this covering report

5 TIMETABLE

- 5.1. None in relation to this covering report

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. None in relation to this covering report

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. None in relation to this covering report

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. None in relation to this covering report

9 CRIME AND DISORDER IMPLICATIONS

9.1. None in relation to this covering report

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. None in relation to this covering report

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Draft Business Plan 2021- 25 Cabinet Report

12 BACKGROUND PAPERS

12.1. None

Cabinet

Date: 9 November 2020

Subject: Draft Business Plan 2021-25

Lead officer: Caroline Holland – Director of Corporate Services

Lead member: Councillor Mark Allison – Deputy Leader and Cabinet Member
for Finance

Contact Officer: Roger Kershaw

Urgent report:

Reason for urgency: The chairman has approved the submission of this report as a matter of urgency as it provides the latest available information on the Business Plan and Budget 2021/22 and requires consideration of issues relating to the Budget process and Medium Term Financial Strategy 2021-2025. It is important that this consideration is not delayed in order that the Council can work towards a balanced budget at its meeting on 3 March 2021 and set a Council Tax as appropriate for 2021/22.

Recommendations:

DRAFT

- 1 That Cabinet considers and agrees the proposed new savings to meet the non-Covid gap, and refers them to the Overview and Scrutiny Commission. That Cabinet agrees to ratify these savings at a future Cabinet meeting, with the draft Equality Assessments (EAs) subject to scrutiny comments.
 - 2 That Cabinet notes that any proposed amendments to previously approved savings previously agreed (replacements and deferrals) will be reported to the Cabinet meeting in December.
 - 3 That Cabinet note the decision in principle to continue with the Business Rate Pool for 2021/22
 4. That Cabinet note the summary of the COVID-19 Impact, along with details of funding received to date, at Appendix 2
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1. Purpose of report and executive summary

- 1.1 This report provides an update on the Council's progress towards developing a Business Plan for 2021-25. In particular, it sets out the latest financial information relating to the MTFS 2021-25 and its impact on the requirement to set a balanced budget and Council Tax for 2021/22.
- 1.2 Details of savings proposals identified by service departments are set out in the report.

- 1.3 Any replacement/deferred savings will be reported to the next meeting of Cabinet.

Details

2. Background

- 2.1 The last report to Cabinet on 7 September 2020 set out the approach towards setting a balanced budget for 2021-2025 and a draft timetable for the business planning process for 2021/22. It also proposed initial corporate and departmental targets to be met from savings and income over the four year period of the MTFS.
- 2.2. The report emphasised the high degree of economic and financial uncertainty which surrounds local government finance at the present time and presented an updated MTFS 2021-25 based on an even level economic recovery (assuming an even level economic bounce post-Covid).
- 2.3 In particular the report provides updates on two major areas of uncertainty that could have major financial implications for Merton's MTFS 2021-25: DSG and Covid-19.
- 2.4 The report to Cabinet in September presented an updated MTFS which rolled forward the previous year's by one year and re-priced for the latest inflation forecasts. On this basis the MTFS gap was as follows:-

	2021/22	2022/23	2023/24	2024/25
(Cumulative)	£000	£000	£000	£000
MTFS GAP	1,304	9,504	11,416	8,755

- 2.5 The September report then set out the financial implications of options which were based on assumptions around a low, even and high level bounce economic recovery following Covid-19.
- 2.6 Based on the even level recovery the revised gap in the MTFS 2021-25 was estimated as set out in the table below, and savings targets for each service department were set on this basis.

	2021/22	2022/23	2023/24	2024/25
(Cumulative)	£000	£000	£000	£000
MTFS GAP	16,737	21,457	22,942	19,667

- 2.7 Since Cabinet in September there have been a number of major developments that will inevitably impact on the financial forecasts over the MTFS period:-
- 2.7.1 **DSG Deficit** - Discussions have been ongoing between CIPFA, the DfE and the National Audit Office in respect of the large and increasing DSG Deficit and treatment in the council's accounts. This was discussed at the Standards and General Purposes meeting on 22 September 2020 which considered the

Council's Statement of Accounts for 2019/20. The Authority has followed the guidance issued by CIPFA following clarification of the DfE guidance which allows the Authority to disclose a negative DSG deficit without this being charged to the General Fund. A statutory instrument is currently being prepared by the Ministry of Housing, Communities and Local Government which would allow cumulative DSG deficits to be accounted for as an unusable reserve. The statutory instrument will apply prospectively from 1 April 2020 and therefore has no impact on the Council's 2019/20 financial statements.

Currently, the Council's accounts, budget and draft MTFS 2021-22 provide for 100% of the DSG deficit up to 2020/21 and 50% thereafter. The guidance expected could allow Merton to release the amounts currently set aside in the General Fund and apply them to other service demands.

However, it must be emphasised that this action would be taken at some risk as there is no indication at the current time that the Government is willing to provide any additional resources to fund the deficit, which continues to increase and would be larger than our GF and earmarked balances combined.

2.7.2 Spending Review 2020

The Government had originally planned to issue a three-year Spending Review for 2021-2024 but on 21 October 2020 it was announced that "In order to prioritise the response to Covid-19, and our focus on supporting jobs, the Chancellor and the Prime Minister have decided to conduct a one-year Spending Review, setting department's resource and capital budgets for 2021-22, and Devolved Administration's block grants for the same period. Multi-year NHS and schools' resource settlements will be fully funded, as will priority infrastructure projects."

This announcement was not unexpected but it makes forward strategic financial planning in an effective and efficient way extremely difficult.

2.7.3 COVID-19

On 31 October 2020, the Government announced that there would be a second lockdown from Thursday 5 November until Wednesday 2 December due to COVID-19 case numbers rising rapidly across the whole of the UK and in other countries. The second lockdown is part of the government's measures to control the spread of the virus but it will probably have implications for the Council's finances in the current and future financial years which will need to be taken into account when setting the budget 2021/22 and MTFS 2021-25.

2.7.4 As a result the assumptions made with respect to COVID-19 will need to be revisited and reported in future Business Plan reports as part of the Business Planning process.

2.7.5 A summary of the COVID-19 Impact on our expenditure and income is included at Appendix 2, along with details of funding received to date. The

expenditure summary is based on the September MHCLG monitoring return and does not take into account the impact of the second lockdown measures.

2.8 Business Rates Retention – future of London Pool

2.8.1 The Government set a deadline of 23 October 2020 for local authorities to confirm whether existing business rates pools want to continue in 2021-22 and for any expressions of interest to form new pools.

2.8.2 The October deadline is to give MHCLG enough time to prepare the provisional settlement in December 2020. However, this is not the final deadline by which boroughs must decide whether to continue to pool. As with last year, each authority will have until 28 days after the provisional settlement (i.e. likely by mid-January) to decide formally whether it wishes to continue to pool, and each must agree that decision individually through local governance arrangements and sign a Memorandum of Understanding (MOU).

2.8.3 All London boroughs have provisionally agreed to continue pooling in 2021/22 and updates will be provided throughout the Business Planning process.

2.9 Summary

Given the uncertainty and constantly changing scenario arising from COVID-19 it is considered prudent to update the MTFS gap based on non-COVID costs and non-government funded services at this stage and to update for revised COVID-19 and DSG implications in a future report when more information is known.

(cumulative)	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
MTFS Gap 2021-25 (exc. COVID-19) Cabinet September 2020	1,304	9,504	11,416	8,755
Adjustment to Collection Fund deficit (updating for September MHCLG monitoring)	372	(3,897)	(3,897)	0
Revised MTFS Gap 2021-25 (exc. COVID-19)	1,676	5,607	7,519	8,755

This MTFS gap will provide an interim savings target for service departments to aim for pending development of further savings which will be included in future Business Planning reports to Cabinet as part of the agreed timetable.

3. **New Savings 2021-25: Progress**

3.1 In the report to Cabinet in September, in order to be able to set a balanced budget for 2021/22 as required by statute, savings targets were set out based on the initial update of the MTFS 2021-25 as follows:-

SAVINGS TARGETS BY DEPARTMENT	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Corporate Services	3,028	854	269	(592)	3,558
Children, Schools and Families	2,142	604	190	(419)	2,518
Environment and Regeneration	5,008	1,412	444	(980)	5,885
Community and Housing	6,559	1,850	582	(1,283)	7,707
Total	16,737	4,720	1,485	(3,275)	19,667
Total (cumulative)	16,737	21,457	22,942	19,667	

3.2 As indicated in paragraph 2.7 of this report, given the developments since September, the assumptions made in the financial forecasts on which this MTFs gap is based will need to be reviewed and updated once the Local Government Settlement has been published and the ongoing implications of Covid-19 and DSG assessed.

3.3 Since September service departments have been reviewing their budgets in order to identify savings proposals to meet their targets. As the government has indicated that it will meet councils' costs for dealing with the pandemic, in the first instance departments have focused on achieving savings that would balance the "non-Covid" gap (in para 2.9 above). Therefore the following progress has been made:-

"Non-Covid" Savings Proposals	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Corporate Services	374	0	0	0	374
Children, Schools and Families	450	200	0	0	650
Environment and Regeneration	930	750	(50)	(85)	1,545
Community and Housing	55	1,299	0	0	1,354
Total	1,809	2,249	(50)	(85)	4,493
Total (cumulative)	1,809	4,058	4,008	3,923	
Less:					
Contribution to Balancing the Budget Reserve *	(133)	133	0	0	0
Total (cumulative)	1,676	4,191	4,008	3,923	

* To be kept under review pending identification of the level of replacement and deferred savings caused by Covid-10

3.4 Details of the "non-Covid" savings proposals are set out in Appendix 3. Associated draft Equalities Assessments will be included with the Business Plan presented to the December Cabinet, along with comments from the Overview and Scrutiny Commission. These savings will be further scrutinised by Overview and Scrutiny Panels and the Commission during January 2021 and will be included in the Member's Information pack that will be despatched to all Members at the end of December 2020.

- 3.5 Departments are looking at options that may be required to meet the budget gap once the settlement has been announced in late December, should this settlement not cover the council's Covid-related costs or address the DSG issues. These savings would be brought forward to the January Cabinet following the Spending Review, when this would be known.
- 3.6 If all of the savings proposals are agreed and there is no further funding for the council's Covid-related costs or a solution for the DSG, the revised gap would be as follows:-

REVISED MTFS GAP	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000
Revised Gap (para.2.8 refers)	16,737	21,457	22,942	19,667
"Non-Covid" savings proposals (Net)	(1,676)	(4,191)	(4,008)	(3,923)
Revised Gap including Savings	15,061	17,266	18,934	15,744

A revised MTFS is included as Appendix 1.

3.7 Replacement and Deferred Savings

- 3.7.1 Monitoring of the delivery of savings is important and it is essential to recognise as quickly as possible where circumstances change and savings previously agreed are either not achievable in full or in part or are delayed.
- 3.7.2 If this is the case, departments will need to identify replacement savings from elsewhere within their overall budgets. As previously mentioned this will be more difficult in light of COVID-19. Members will recall that in determining the MTFS gap reported to Cabinet in September it was assumed that 50% of programmed savings will be achieved in line with the original forecast.
- 3.7.3 Any replacement/deferred savings will be reported to the next meeting of Cabinet to enable the latest position to be reported as the situation is subject to more change than in previous years.

4. Capital Programme for 2021-25

- 4.1 There was not a capital bidding round for 2021-25 due to the financial situation, but departments were able to bid for CIL funded schemes which have previously been reported to Cabinet. The programme is kept under constant review.

5. Service Planning for 2021-25

- 5.1 The pilot Service planning process for 2021-25 was launched in August 2020. A plan has been created for each council service. These plans describe what the service does, its plans for the future linked to the Modernising Merton Programme, its key performance indicators and how its plans will take place within the budget.

5.2 These will be reported to Cabinet and scrutiny.

6. Alternative Options

6.1 The range of options available to the Council relating to the Business Plan 2021-25 and for setting a balanced revenue budget and fully financed capital programme will be presented in reports to Cabinet and Council in accordance with the agreed timetable which was approved by Cabinet on 7 September 2020.

7. Consultation Undertaken or Proposed

7.1 All relevant bodies have been consulted.

8. Timetable

8.1 In accordance with current financial reporting timetables approved by Cabinet on 7 September 2020.

9. Financial, resource and property implications

9.1 As contained in the body of the report.

10. Legal and statutory implications

10.1 As outlined in the report.

11. Human rights, equalities and community cohesion implications

11.1 Draft Equalities assessments of the savings proposals will be included in the report referred to the Overview and Scrutiny Commission.

12. Crime and Disorder Implications

12.1 Not applicable.

13. Risk Management and health and safety implications

13.1 There is a specific key strategic risk for the Business Plan, which is monitored in line with the corporate risk monitoring timetable.

14. Appendices – The following documents are to be published with this Report and form part of the Report.

Appendix 1 – Updated MTFs 2021-25

Appendix 2 – Covid-19 Expenditure/Income Pressures and Grant Funding

Appendix 3 – Details of departmental savings proposals 2021-25

15. Background Papers

- 15.1 The following documents have been relied on in drawing up this report but do not form part of the report:

2019/20 Budgetary Control and Final Accounts Working Papers in the Corporate Services Department.
2020/21 Budget Monitoring working papers
MTFS working papers

16. REPORT AUTHOR

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APPENDIX 1

DRAFT MTFS 2021-25:				
	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000
Departmental Base Budget 2020/21	159,038	159,038	159,038	159,038
Inflation (Pay, Prices)	3,468	6,937	10,405	13,874
Salary oncost increase (15.2% to 17.06%)	23	47	71	95
FYE – Previous Years Savings	(3,887)	(4,252)	(4,448)	(4,448)
FYE – Previous Years Growth	404	788	1,178	1,178
Amendments to previously agreed savings/growth	1,944	2,126	2,224	2,224
Change in Net Appropriations to/(from) Reserves	(392)	(950)	(950)	(950)
Taxi card/Concessionary Fares	450	900	1,350	1,800
Change in depreciation/Impairment (Contra Other Corporate items)	0	0	0	0
Social Care - Additional Spend offset by grant and precept	154	150	150	150
Growth	3,768	5,018	6,268	6,268
Provision - DSG Deficit	9,156	8,750	9,650	10,550
Other	733	813	893	973
Re-Priced Departmental Budget	174,859	179,365	185,829	190,752
Treasury/Capital financing	11,282	12,082	12,899	13,539
Other Corporate items	(21,149)	(20,731)	(21,082)	(21,086)
Levies	609	609	609	609
Sub-total: Corporate provisions	(9,258)	(8,040)	(7,574)	(6,938)
Sub-total: Repriced Departmental Budget + Corporate Provisions	165,601	171,325	178,255	183,814
Savings/Income Proposals 2021/22	(1,676)	(4,191)	(4,008)	(3,923)
Sub-total	163,925	167,134	174,247	179,891
Appropriation to/from departmental reserves	(2,497)	(1,935)	(1,935)	(1,935)
Appropriation to/from Balancing the Budget Reserve	(2,597)	0	0	0
ONGOING IMPACT OF COVID-19 (NET)	6,919	3,217	1,514	0
BUDGET REQUIREMENT	165,751	168,416	173,826	177,956
Funded by:				
Revenue Support Grant	0	0	0	0
Business Rates (inc. Section 31 grant)	(41,358)	(39,185)	(40,029)	(40,890)
Adult Social Care Grants inc. BCF	(4,862)	(4,862)	(4,862)	(4,862)
Social Care Grant	(2,776)	(3,160)	(3,550)	(3,550)
PFI Grant	(4,797)	(4,797)	(4,797)	(4,797)
New Homes Bonus	(1,008)	(800)	(800)	(800)
Council Tax inc. WPCC	(99,785)	(102,242)	(104,751)	(107,313)
Collection Fund – (Surplus)/Deficit	3,896	3,896	3,896	0
TOTAL FUNDING	(150,690)	(151,150)	(154,892)	(162,212)
GAP including Use of Reserves (Cumulative)	15,061	17,266	18,934	15,744

APPENDIX 2

SUMMARY OF COVID-19 IMPLICATIONS AS PER MHCLG MONTHLY RETURN

Service area	Full Financial Year 2020-21
<u>ESTIMATED SPENDING PRESSURES (General Fund)</u>	£m
Adult social care	6.839
Children's Social Care	1.036
Education	0.050
Highways and Transport	0.000
Public Health	1.007
Housing sub total excluding HRA	0.476
Cultural & related	0.663
Environment & regulatory	1.574
Planning & development	0.000
Finance & corporate	0.892
Other (includes Shielding)	7.263
TOTAL ESTIMATED SPENDING PRESSURES (General Fund)	19.800
<u>Loss of Income - Sales, Fees, Charges</u>	
Highways and Transport Sales, Fees & Charges (SFC) - Parking services losses	3.628
Highways and Transport Sales, Fees & Charges (SFC) losses - other	0.247
Cultural & Related (SFC) - Recreation and sport losses	1.045
Cultural & Related (SFC) losses - other	0.406
Planning & Development SFC losses	0.391
SFC income losses - other	5.265
Sales, Fees & Charges (SFC) income losses subtotal	10.982
TOTAL SPENDING PRESSURES + SFC INCOME LOSSES	30.782
Commercial Income losses	0.899
Other income losses	0.000
SPENDING PRESSURES + SFC INCOME + NON-COLLECTION FUND INCOME LOSS	31.681
Funding:	
CCG	(0.465)
Government Grant Funded	(14.643)
	(15.108)
NET	16.573
COLLECTION FUND	
Business rates losses - Deferrals (Delay)	5.572
Business rates losses- Other	6.924
Business Rates Losses - excluding reliefs	12.496
Council Tax receipt losses - working age LCTS	2.300
Council Tax receipt losses - payment failure	2.778
Council Tax receipt losses - other	0.000
Council Tax receipt losses sub total	5.078

APPENDIX 2

NEW FUNDING FOR COVID 19	TOTAL NOTIFIED	RECEIVED 2019/20	RECEIVED 2020/21	Balance not yet received	Notes:
Business Support Grant	29,318,000	-	29,318,000	-	2,122 payments totalling £28.120m (1/9/20)
Local Authority Discretionary Grant Fund Allocation	1,312,750	-	-	1,312,750	Only if main allocation exceeded
New burdens Funding to support administration of the Business Support scheme	-	-	130,000	-	For Admin. Costs
COVID 19 Relief-Local Authority Support Grant	14,643,266	4,964,977	7,184,321	2,493,968	Balance =Tranche 4 notified 22/10/20
Council Tax Hardship fund	1,483,740	-	1,483,740	-	
Rough Sleeping Initiative 2020-21	151,750	-	151,750	-	
Rough Sleeping Initiative 2020-22:	-	-	11,250	-	
Covid-19 Contingency Fund	Share of £10m	-	-	-	Awaiting details
Additional Support to Rough sleepers - share of £10m Cold Weather fund	173,550	-	-	173,550	Not yet received
Next Steps Accommodation Programme					
Infection control Fund for Adult Social Care	2,834,641	-	2,834,641	-	
Test, Track and Contain	964,982	-	964,982	-	
Self-isolation payments funding	-	-	155,534	-	£500 support for those on lower incomes required by law to self-isolate.
Support to extremely vulnerable	£94k per 28 days	-	-	£94k	Not yet received
Local Welfare Assistance Fund	176,472	-	176,472	-	
Local Authority Compliance and Enforcement Grant	92,943	-	92,943	-	
Emergency Active travel Fund	100,000	-	100,000	-	£90k capital, £10k revenue
Reopening High Streets Safely Fund	182,103	-	-	182,103	EU/ERDF funding Subject to legitimate claim

SUMMARY OF SAVINGS PROPOSALS - CABINET 9 November 2020

Savings Proposals to Cabinet 9 November 2020	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Corporate Services	374	0	0	0	374
Children, Schools and Families	450	200	0	0	650
Environment and Regeneration	930	750	(50)	(85)	1,545
Community and Housing	55	1,299	0	0	1,354
Total	1,809	2,249	(50)	(85)	3,923
Total (cumulative)	1,809	4,058	4,008	3,923	

KEY

Savings Type

SI1	Income - increase in current level of charges
SI2	Income - increase arising from expansion of existing service/new service
SS1	Staffing: reduction in costs due to efficiency
SS2	Staffing: reduction in costs due to deletion/reduction in service
SNS1	Non - Staffing: reduction in costs due to efficiency
SNS2	Non - Staffing: reduction in costs due to deletion/reduction in service
SP1	Procurement / Third Party arrangements - efficiency
SP2	Procurement / Third Party arrangements - deletion/reduction in service
SG1	Grants: Existing service funded by new grant
SG2	Grants: Improved Efficiency of existing service currently funded by unringfenced grant
SPROP	Reduction in Property related costs

Panel

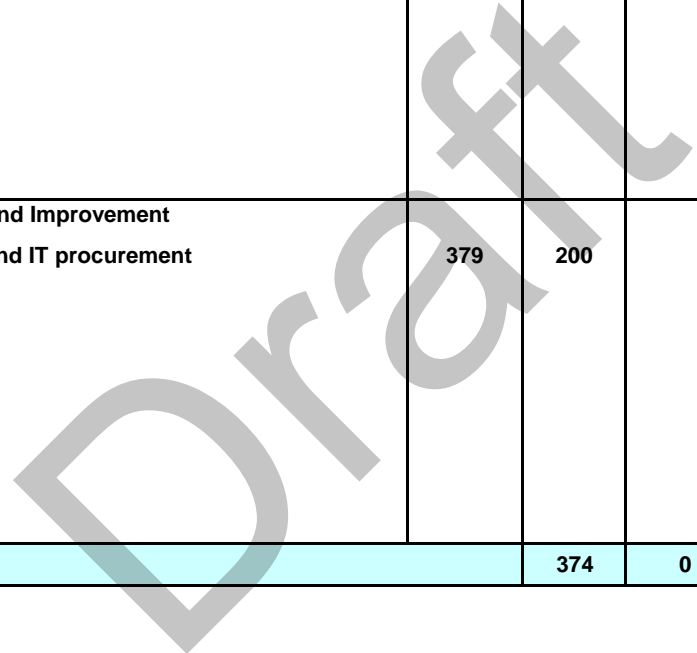
C&YP	Children & Young People
OS	Overview & Scrutiny
HC&OP	Healthier Communities & Older People
SC	Sustainable Communities

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2021/2022

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2021-22 CS01	Service/Section	Customer, Policy and Improvement								
		Description	Cash collection contract	129	23				L	L	SNS1
		Service Implication	Planned reduction in number and frequency of collections								
		Staffing Implications	None								
		Business Plan implications	In line with our strategy of digitalising more services and offering a cashless solution								
		Impact on other departments	Led by Parking Services in reducing the number and frequency of collections								
		Equalities Implications	None								
	2021-22 CS02	Service/Section	Corporate								
		Description	Corporately funded items (eg. Supplies and services)	477	75				L	M	SNS1
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
	2021-22 CS03	Service/Section	Corporate								
		Description	Realignment of Pension Added years budget	874	63				L	H	SNS1
		Service Implication	If there are a high level of redundancies due to budget reductions the residual budget will be under strain.								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								

DEPARTMENT: CORPORATE SERVICES SAVINGS - BUDGET PROCESS 2021/2022

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
	2021-22 CS04	Service/Section	Corporate Governance - Information Governance								
		Description	Establish income grant budget for transparency agenda	0	13				H	M	SG1
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
	2021-22 CS05	Service/Section	Customer, Policy and Improvement								
		Description	Contract savings and IT procurement	379	200				L	L	SNS1
		Service Implication	None								
		Staffing Implications	None								
		Business Plan implications	None								
		Impact on other departments	None								
		Equalities Implications	None								
Total Corporate Services Savings					374	0	0	0			



DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP		Service/Section Description	Education & Early Help Reduction made in provision for PFI Unitary Charges		£450	£0	0	0	High	Low	SI1
		Service Implication	None. Generated from increased school contributions due to increased pupil numbers. Note MTFS still needs to allow for increasing 'affordability gap' general fund contributions over the next 8 years.								
		Staffing Implications	None								
		Business Plan implications	The "underspend" on the unitary charge is the result of schools income being above the budget that is set and this level of income over budget is expected to continue for the next 2-3 years. The income is based upon pupil numbers, and as the "primary bulge" continues to work through this situation is expected to continue with a small rise in pupil numbers then a plateau for a period. The "saving" is therefore expected to be available in 2021/22, and then will progressively reduce.								
	Impact on other departments Equalities Implications	None									

DEPARTMENT: CHILDREN, SCHOOLS & FAMILIES SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
C&YP		Service/Section Description	Education & Early Help Rationalisation of Children's Centres		£0	£200					
		Service Implication	Review of the buildings and service offer. Likely to make some savings but will need to review and unpick the income-generating capacity of these buildings. Buildings currently occupied by partners who pay rental income. This is likely to reduce the number of Children's Centre sites and will require specific public consultation and anticipated communication with DFE								
		Staffing Implications									
		Business Plan implications									
		Impact on other departments	Would need discussion with Health partners as they currently provide a rental income stream.								
		Equalities Implications									
Total Children Schools and Families Savings					£450	£200	£0	£0			

DEPARTMENT: ENVIRONMENT AND REGENERATION SAVINGS - BUDGET PROCESS 2020/21

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
SC	ENV2021-01	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Future Merton Street works team income (increase in income) Captures over achievement over the last few years Undertaken within existing staff team In line with business plan None None	(120)	100				Low	Low	SI2
OS	ENV2021-02	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Development Control/Building Control Increase PPA's income (increased income) through a dedicated Majors team Assuming buoyant economy and level of development remains stable. Would be met within the existing team with a dedicated majors team resource In line with the business plan Minimal Minimal	(74)	80				Med	Low	SI2
OS	ENV2021-03	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Parking Review of back office processes and efficiencies To be reviewed To be reviewed In line with existing objectives. None None identified at present.	1,650			100	50	Low	Low	SS1
OS	ENV2021-04	Service/Section Description Service Implication Staffing Implications Business Plan implications Impact on other departments Equalities Implications	Parking EBC - potentially commencing in 2nd half of 2021/22. Assumes a 10% reduction in 2023/24, and a further 10% in 2024/25. To be reviewed To be reviewed In line with existing objectives. None To be reviewed as part of democratic processes relating to emissions based charging.	(11,996)	750 - 1,000	750 - 1,000	(150) - (200)	(135) - (180)	Low	Low	SI2
Total Environment and Regeneration Savings					930 - 1,180	750 - 1,000	(50) - (100)	(85) - (130)			

DEPARTMENT: COMMUNITY & HOUSING SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving	Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH100	Service/Section	Adult Social Care - Direct Provision							
		Description	Review of in-house day care provision	6,248	700			M	H	SS1
		Service Implication	To review and consult on the consolidation of services on fewer sites to improve efficiency and to reflect the changing nature of provision. During COVID 19 the Learning Disability service has shifted away from buildings based provision to more outreach work and use of community facilities. The demand for older people's day care has also reduced. The review will consider the assets and staffing needed to serve current and future demand with a view to reducing the cost of provision. The proposals will be subject to consultation before any decision is made. If the outcome of the review and consultation does not deliver the target savings, alternative savings from across the department will have to be found. Departmental reserves may have to be used to bridge any timing gap.							
		Staffing Implications	There are likely to be job losses depending on the outcome of the review.							
	Business Plan implications	The proposals are likely to result in the closure of buildings which need to be considered in terms of the corporate estate strategy.								
	Impact on other departments	It may impact on the delivery of passenger transport services								
	Equalities Implications	Care Act eligible needs would continue to be met but may be met in different ways. Service users will be supported through any change. There may be an impact on carers who depend on the care for person being in day care on particular days								

DEPARTMENT: COMMUNITY & HOUSING SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)	
HC&OP	CH101	Service/Section	Adult Social Care - Direct Provision									
		Description	Review of in-house LD residential provision	6,248		544				M	H	SS2
		Service Implication	To review the in-house delivery of residential care given current usage, the condition of the buildings and opportunity to redevelopment sites for supported living. The review outcome will then be subject to consultation. The review will consider whether the Council wishes to continue to operate two in-house units into the future. In the event that the review and consultation do not deliver the target saving, alternative savings will have to be found from across the department and if required departmental reserves used to meet any timing gap.									
		Staffing Implications	There are likley to be job losses depending on the outcome of the review. TUPE may apply.									
Business Plan implications	The proposals may result in the closure of a building which need to be considered in terms of the corporate estate strategy.											
		Impact on other departments	nil									
		Equalities Implications	The residents of the services all have a disability and will need to be supported through the review and any resultant change in where they live.									

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DEPARTMENT: COMMUNITY & HOUSING SAVINGS - BUDGET PROCESS 2021/22

Panel	Ref	Description of Saving		Baseline Budget 20/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Risk Analysis Deliverability	Risk Analysis Reputational Impact	Type of Saving (see key)
HC&OP	CH102	Service/Section	Public Health	277	55	55			M	M	SP1
		Description Service Implication	To re-commission the Dementia Hub services when the contract expires in September 2021. The aim is to move away from a physical hub to an outreach model better linked to other services. The contract for the Dementia Hub expires in September 2021 and the proposal is not to relet the contract but commission a new lower cost service. There is no statutory duty to provide a dedicated hub. The proposal will be subject to consultation. In the event that the review and consultation does not result in the target savings, alternative savings will need to be found from elsewhere and departmental reserves might be needed to be used to bridge any timing gap.								
		Staffing Implications	Nil								
		Business Plan implications	nil								
		Impact on other departments	nil								
		Equalities Implications	The users of the service either have dementia or are carers or family of those with dementia. They would need to be supported through any change								
Total Community and Housing Savings				12,773	55	1,299	0	0			