

Cabinet

7 December 2017

2018/19 Refresh of the Medium Term Financial Plan 2020 Background Information and Proposals from Corporate Board

Recommendation

Cabinet are asked to

- (1) Put forward their draft 2018/19 Budget and refresh of the 2017-20 Medium Term Financial Plan, taking into account the information presented in this report and the views of Corporate Board on that information.
- (2) Authorise the Joint Managing Directors, the Strategic Director of People Group and the Chief Fire Officer to begin any preparatory work necessary to deliver the budget proposals, prior to the final decision on the budget on 6 February 2018.

1. Introduction

- 1.1. In February 2017, Council agreed a One Organisational Plan (OOP) for the period 2017-20. The Plan is supported by a Medium Term Financial Plan (MTFP) that balances spending need and resources over the three year period. After taking into account the forecast levels of government funding, the key elements of this plan are:
 - An annual 1.99% increase in council tax plus an additional 2% adult social care levy each year
 - The delivery of £67 million savings.
 - Fully funding the expected cost of inflation
 - Using the medium term contingency to cover the timing differences between the expected cost increases and the delivery of savings.
- 1.2. On 7 September 2017 Cabinet agreed the timetable and actions for agreeing the 2018/19 budget in an effective and timely way. This required that any recommendations for refreshing the OOP 2020 Plan from Corporate Board are

consistent with the core purpose to 'ensure that the economy is vibrant and we can use the proceeds from that to ensure our most vulnerable residents are kept safe and that children and young people across the county have the opportunity to thrive and fulfil their potential'.

- 1.3. This report makes available, for Elected Members, the latest financial information that will underpin the 2018/19 refresh and the views of Corporate Board and the Head of Finance on that information. The financial refresh of the OOP 2020 Plan will, in effect, be the process that leads to the agreement of the budget and the setting of the 2018/19 council tax in February 2018. The information presented in this report is structured over the following areas:
- The financial context within which the budget will be agreed (section 2),
 - The proposed strategy adopted by Corporate Board (section 3),
 - The proposed funding allocations from Corporate Board and the resultant savings plan (sections 4 and 5),
 - The summary revenue budget position (section 6),
 - The adult social care medium term financial plan (section 7)
 - The extent of any flexibility for Members (sections 8 and 9),
 - The status of the capital programme (section 10) and
 - The requirements on the organisation to deliver a balanced budget (section 11).
- 1.4. The report will then go on to consider the timetable and next steps between now and when the final decision on the 2018/19 budget is made on 6 February 2018.

2. Context

- 2.1. The tightness of the financial position and continuing austerity means the approach to setting the budget for 2018/19 remains unchanged. The focus has been on those areas where additional investment is considered unavoidable.
- 2.2. Outside of these areas, services will continue to need to absorb pressures by reprioritising work. Moreover, it is anticipated this will continue to be the norm for the foreseeable future. Similarly, any additional responsibilities not funded through the Local Government Finance Settlement will need to be considered against our current workload.
- 2.3. The principle of the adult social care 'bubble' has been retained assuming all increases in the demand/cost of adult social care services are managed within the level of additional income from the 2% levy on council tax and government grants, including the Improved Better Care Fund. The funding envelope for

adult social care and the resulting medium term financial plan are considered in more detail in Section 7.

- 2.4. For all the Authority's other services, when the budget was approved in February, the MTFP was balanced through to 2019/20 with £2.5 million each year available for allocation. Since that time the Government has clarified the levels of grant the authority will receive to compensate for the business rate reliefs announced as part of the Chancellor's last budget. Therefore, for all other services the amount of available resource to meet additional spending need in 2019/20 is now £3.6 million. These levels of funding are in addition to the £11.7 million for provision for inflationary pressures. The overall revenue position, excluding adult social care is detailed in Table 1 below.

Table 1: Overall Predicted Council Revenue Position – All Services excluding Adult Social Care				
		2017/18 £m	2018/19 £m	2019/20 £m
Resources	Revenue Support Grant	(20.389)	(9.690)	-
	Other Grants	(31.375)	(28.350)	(27.661)
	Collection Fund surplus	(1.981)	-	-
	Reserves	(10.616)	(0.293)	-
	Business Rates	(61.443)	(63.370)	(65.076)
	Council tax	(142.860)	(150.659)	(157.966)
	Total resources	(268.664)	(252.362)	(250.703)
Spending	Base Budget	270.539	253.478	252.262
	Changes in responsibilities	(1.349)	-	-
	Inflation	4.979	5.664	6.048
	Identified spending pressures	21.392	1.134	0.536
	Approved savings plan	(26.897)	(10.414)	(11.758)
	Total net spending	268.664	249.862	247.088
	Remaining resources	0	2.500	3.615

- 2.5. Whilst we remain confident that our financial projections are robust, there are two uncertainties:
- The impact of the provisional Local Government Finance Settlement.
 - The impact of the National Living Wage, consequent changes to national pay scales and the potential removal of the public sector pay cap.

- 2.6. In addition to the available resources identified in the tables above, the authority has capacity in the region of £11.8 million within corporate reserves to support one-off projects or changes to phasing of the savings plan. This would retain the minimum in-year level of working capital and level of General Reserves required.

- 2.7. We will not know the level of Revenue Support Grant and other government grants until mid-December 2017 and the council tax and business rates taxbases will not be known until mid-January 2018.
- 2.8. The tightness of the funding available to support new allocations of up to £2.5 million in 2018/19 and provision for a further £3.6 million in 2019/20 means, other things being equal, there will continue to be a much greater degree of rationing in the allocation of resources.
- 2.9. Alongside the increasingly constrained resources it should be noted that by the end of 2017/18 we will have delivered about 50% of the OOP 2020 savings target. 50% remains to be delivered in the next two years. Successful delivery of these savings remains a significant financial risk for the authority, reinforcing the limited extent of any room for manoeuvre.

3. Budget Strategy

- 3.1. As outlined above there is minimal headroom available to support new allocations in 2018/19. Alongside this, in the quarterly OOP Progress reports, Business Units are flagging up the difficulties of managing the on-going delivery of services within the current level of resources available to them. In response Corporate Board have adopted a structured approach to determining those specific service areas where the provision of additional funding cannot be avoided.
- 3.2. The budget strategy adopted has been:
 - The fundamentals of the OOP budget strategy remain unchanged. By the end of 2019/20 the budget will be balanced and sustainable into the future with no on-going spending need being funded from one-off resources without an approved exit strategy being in place.
 - Sustainable solutions will be found in respect of those services where structural overspends have emerged over the last two years.
 - A focus on Business Units dealing with and absorbing additional spending need within existing resources, using their reserves to manage any timing differences.
 - Any gap between our funding projections and the eventual financial settlement will be managed within reserves, predominantly the Medium

Term Contingency. This will ensure proposals for 2018/19 can be made with a degree of surety.

- 3.3. This means there is no financial capacity to fund any on-going new or different initiatives without identifying what will be stopped or cut to provide the necessary funding.
- 3.4. For ease of understanding and to ensure all the key issues are fully considered Section 4 considers all services except adult social care and Section 7 outlines the proposed refresh of the adult social care 'bubble' that will continue to develop alongside the negotiations with health over the allocation of the Better Care Fund and the emerging guidance from the Department of Health.

4. Proposed Funding Allocations

- 4.1. Corporate Board have been clear through budget monitoring that the priority for 2018/19 would be to ensure the long term financial sustainability of services and to continue to drive forward the implementation of the Council's transformation agenda. This position has not changed. The new demand for resources that is emerging is the impact of the National Living Wage, how it relates to our existing pay scales and the potential removal of the public sector pay cap.

4.2. Inflationary Costs

As part of the medium term financial planning framework Council agreed to continue to provide for inflationary costs but also requested that a mid-year review of the inflation assumptions within the MTFP was undertaken to ensure we were not over-providing for inflation in light of the continued historically low inflation rates. The provision for inflation in the MTFP approved in February is £5.7 million. This was based on the estimated cost of a 2% increase in pay, prices and contract costs partly offset by assuming more income on all fees and charges.

These figures have been reworked based on the latest approved budget and reflecting where specific increases in cost are known, e.g. the latest actuarial valuation of the Pension Fund. The latest figures show **2%** inflation will cost £5.4 million in 2018/19. A breakdown of this analysis is shown in Table 2.

Table 2: Cost of Inflation in 2018/19 (excluding adult social care)		
	£m	
Provision	5.7	
Less:		
• Pay	2.4	Includes impact of National Living Wage in 2018/19
• Prices/Contracts	4.3	
• Income	-2.0	
• Additional Firefighters Pay	0.2	Provision for the potential increase in the firefighters national pay offer from 2% to 3% in 2018/19
• LG Pension Scheme	0.5	Lump sum contribution to deficit
Unallocated	0.3	

This would leave £0.3 million of the MTFP provision for inflation unallocated. Each additional 1% pay award is estimated to cost £1.1 million (excluding adult social care, which would be a further £0.2 million). There is only capacity within the MTFP for 2018/19 to increase pay by a further 0.3% without reducing the funding set aside to meet spending pressures.

It is worth adding a caveat to these figures. Whilst the cost of inflation at 2% is manageable within the parameters of the MTFP in 2018/19 there is significant additional pay pressure likely to impact on the authority in 2019/20:

- **National Living Wage (NLW)** - The additional impact of the NLW in 2019/20 is expected to be £0.2 million. Also, if the NLW continues to increase for those at the lower end of the pay scale as expected, from April 2019 we will for the first time be faced with the need to deal with the impact of pay differentials as some supervisors will then be paid the same rate of pay as the people they supervise.
- **National Pay Spine-** The National Joint Council, which is the national local government pay negotiating body, is currently working on potential options for changes to the national pay spine to meet NLW obligations and deal with the impact on pay differentials. This work is not expected to be completed until early in 2019 but initial modelling suggests this may cost between £1 million and £2 million.

Depending on the inflation rate at the time and the underlying level of increase in basic pay in 2019/20 providing for these costs may exceed the 2019/20 inflation provision in the MTFP. Corporate Board are therefore proposing that any unallocated inflation provision in 2018/19 is retained corporately to provide additional capacity to deal with the expected increases in pay-related costs in 2019/20. Even with managing the inflation provision over two years it is likely that some of the funding set aside for pressures will need to be diverted to meet the cost of pay inflation in 2019/20.

In making this inflation allocation it is acknowledged that the allocation to Business Units for inflation is an approximate cost, recognising that some costs will increase above the standard rate and some below and that once the overall allocation has been agreed a Business Unit should have the opportunity to allocate the funding provided to reflect where inflation will impact at a local level.

4.3. Proposed Permanent Budget Allocations

Corporate Board have identified seven areas where they are proposing additional budget allocations to meet known spending pressures are needed. The magnitude of these pressures means this would use all of the available resources identified in the MTFP.

The specific proposals for 2018/19, totalling £1.720 million, are as follows:

- Waste management - £252,000
- Special educational needs and disability assessment - £599,000
- Child sexual exploitation, missing children and trafficking and LADO services - £214,000
- School transport for looked after children - £200,000
- Adoption service and the Regional Adoption Agency - £204,000
- Family Information Service - £102,000
- Information management including subject access requests - £149,000

Appendix A provides a summary and brief detail of those spending needs recommended for approval. It also lists those spending pressures put forward by services that are not supported by Corporate Board. Further detail on all of the proposals is available on request as background information.

4.4. Fire and Rescue Service Savings

The above allocations leave £0.780 million of the £2.500 million available for spending pressures unallocated. It is the view of Corporate Board that all of this funding should be used to reduce the savings target for the Fire and Rescue Service.

The Fire and Rescue Service savings target of £2.3 million by 2020 was predicated on benefitting from economies of scale as a result of joint working with neighbouring authorities. The reduction in the savings target is required because at the current time there are no meaningful discussions about large scale collaboration/merger that could deliver the required savings and ensure OOP 2020 remains in balance.

Allocating the remaining resource in this way would still leave the Fire and Rescue Service with a target to deliver £1.520 million savings by 2020. The

allocation would allow time for Corporate Board and the Service to work together to develop savings proposals for the balance of £1.520 million for Members to consider. The aim is to complete this work by Spring 2018 which will allow adequate time to shape proposals where necessary, ready for 2019/20 implementation. To help with this work we will bring in some dedicated capacity to provide independent support and analysis. This will be funded from within existing 2017/18 resources.

4.5. Proposed Time-Limited Allocations

In addition to the £2.500 million permanent budget allocations Corporate Board are also proposing further time-limited allocations of £9.237 million. This uses just over three quarters of the one-off funding available.

The specific proposals, totalling £9.237 million, are as follows:

- Waste management - £322,000 for 2018/19 only
- Public Health rephasing of savings plans – £2,188,000 in 2018/19
- HS2 - £235,000 in 2018/19 and £200,000 in 2019/20
- Skills for employment project extension - £300,000 for two years
- Family group conferencing - £146,000 for two years
- Backdated element of foster carers allowances for school transport for looked after children - £240,000 in 2018/19
- Specialist equipment for children with special educational needs and disabilities - £125,000 in 2018/19 only
- Regional Adoption Agency - £94,000 in 2019/20
- Priority families and family support - £425,000 for two years
- Children and Families rephasing of savings plans - £1,272,000 in 2018/19
- Provision for the 2018/19 impact of policy changes for transport costs of looked after children - £125,000 in 2018/19
- Digital First customer transformation programme - £2,500,000 over the next two years
- Early Years (Dedicated Schools Grant) - £194,000 in 2018/19

Appendix B provides a summary and brief detail of those time-limited spending needs recommended for approval. It also lists those time-limited spending pressures put forward by services that are not supported by Corporate Board. Further detail on all of the proposals is available on request as background information.

- 4.6. Supporting these allocations would use over three quarters of the available one-off resources for 2018/19 and 2019/20. However, there are a number of other emerging pressures on resources that may crystallise during 2018/19. These include the impact of rising interest rates on the cost of borrowing,

continuing growth of demand-led pressures in children's services, the timing of dividend payments from newly created local authority controlled companies and/or joint ventures, the financial impact of new accounting standards and statutory regulations currently out to consultation.

Until we better understand how these may impact and we have the capacity to accommodate them without undermining the sustainability of OOP 2020, Corporate Board strongly advise Members not to commit this resource to temporarily support the 2018/19 budget.

5. Savings Plans

- 5.1. As part of the 2018/19 refresh Heads of Service were also asked if they wanted to adjust their savings plans based on experience to date. To maintain the integrity of the OOP this had to be done within the following framework:
- The total level of savings to be delivered by a Business Unit by 2019/20 and in each individual year should remain unchanged.
 - Changes should only be proposed where a specific savings proposal is not expected to deliver the level of savings planned. In these circumstances an alternative of increasing the level of saving from another project or introducing a new saving proposal be brought forward for consideration.
- 5.2. This is consistent with the requirement, included as part of the budget resolution that *"where any savings proposal does not materialise to the degree shown, the Head of Service in conjunction with the relevant Strategic Director and Portfolio Holder, should identify alternative proposals to ensure the savings targets are delivered"*.
- 5.3. Those areas where changes to the level of the savings plan, either in total or in the phasing were considered in Sections 4. In addition to these changes Property Services and Customer Services have both requested minor wording changes to better explain how their savings targets are being delivered.
- 5.4. For Customer Services the change is to include the Customer Service Centre in the overall management restructure of the Business Unit. Property Services have requested to combine their proposals from the rationalisation of the Council's property estate to provide added flexibility over the order of disposals. These changes deliver the same level of savings in the same phasing. Corporate Board are supportive of these proposals.

6. Summary Revenue Position

- 6.1. Table 3 shows Table 1 updated for the proposals (excluding adult social care) outlined in this report. It shows all the available resources being used, with no headroom to make any additional allocations. It also confirms that the only time-limited resources being used to balance the budget in 2019/20 are to fund one-off spending need.

Table 3: OOP Medium Term Financial Plan 2018/19 and 2019/20 incorporating proposals from Corporate Board (excluding adult social care)		
	2018/19 £m	2019/20 £m
<u>Resources</u>		
Revenue Support Grant	(9.690)	-
Other Grants	(28.350)	(27.661)
Business Rates	(63.370)	(65.076)
Council tax	(150.659)	(157.966)
Total resources	(252.362)	(250.703)
<u>Spending</u>		
Base Budget	253.478	255.242
Inflation	5.664	6.048
Previously Approved Spending Pressures	1.409	0.530
Proposed Permanent Spending Allocations	1.720	-
Proposed One-off/time-limited funding allocations	4.612	1.165
Provision for new on-going allocations (headroom)	-	3.615
Savings plan	(6.859)	(14.732)
Total spending	260.024	251.868
Shortfall	7.662	1.165
Use of reserves to balance the MTFP	(7.662)	(1.165)
Shortfall/(surplus) after savings	-	-

7. Adult Social Care

- 7.1. With the principle of the adult social care “bubble” in place the approach to the refresh is slightly different from other services. The amount of money available is known (an estimated additional £27.1 million over the next two years). The 2017/18 medium term financial plan for adult social care set out the intended use of the funding known at the time and the July Cabinet report has added to this the use of the additional funding for social care announced by central government in March.

- 7.2. Therefore the focus of the 2018/19 refresh has been the proposed amendments to these plans, verifying the pressures and savings 2018/19 and

the proposed use of the additional funding and in doing so ensuring the proposals support the vision of greater integration between health and social care. In doing so, the demands and pressures on the service have been reviewed to consider the extent that they warrant the continuation of the policy of levying the additional 2% Council Tax levy each year.

7.3. Table 3 below sets out our latest revenue resource forecasts. The figures show that, assuming all planned savings are delivered and the level of resources expected does not change, the authority will have an additional £27.1 million to fund increases in the demand/cost of adult social care over the next two years.

Table 3: Overall Predicted Council Revenue Position – Adult Social Care				
		2017/18 £m	2018/19 £m	2019/20 £m
Resources	Grants (inc. Improved Better Care Fund)	(23.179)	(24.039)	(25.778)
	Council tax – 2% adult social care levy	(9.638)	(14.861)	(20.378)
	Council tax – fixed main element	(103.676)	(102.876)	(102.876)
	Total resources	(136.493)	(141.776)	(149.032)
Spending	Base Budget	122.169	133.098	140.622
	Changes in responsibilities	1.349	-	-
	Identified spending pressures (including inflation)	18.038	-	-
	Approved savings plan	(5.063)	(5.487)	(4.561)
	Total net spending	136.493	127.611	136.061
	Remaining resources	0	14.165	12.971

7.4. The proposed plan, attached at **Appendix D**, aims to set out how to best commit resources to activity in order to make the most of the resources available. It sets out the proposed high level spending plan which is categorised as follows:

- Inflation related expenditure – £11.711 million in line with Corporate assumptions.
- Demand led expenditure - £7.053 million based on latest statistics including an additional £1.0 million for demand in Deprivation of Liberty Safeguards.
- Supplementary iBCF plans - £3.166 million funded from Improved Better Care Fund grant.
- Reduction in savings plan - £5.206 million based on latest projections

7.5. Because adult social care is containing all plans within its own financial envelope, resources can be used to mitigate high risk savings plans, for example those related to community capacity building. In addition, savings

made can be utilised to address pressures and demands. Any reduction in savings reduces the ability to invest or address demand pressures.

- 7.6. The plans for the Supplementary iBCF have been agreed with Health colleagues and were reported to the Health and Wellbeing Board on 11 September 2017. The planned use of the iBCF funding includes the reduction of high risk savings targets.

8. Flexibility in the Budget – On-going

- 8.1. The on-going flexibility in the budget arises from three potential sources:
- The increase in the local taxbase
 - Varying the level of council tax increase
 - Identification of further savings and/or reductions in spending on services.

8.2. Increase in the Local Taxbase

The MTFP, as currently approved, requires 1,500 additional houses in Warwickshire (band D equivalents) each year to remain in balance. Every additional 250 increases in household numbers above this could generate an additional £0.3 million revenue funding. The Council’s current policy is that any growth in the taxbase above that needed to finance the MTFP would be used to increase the funding available in the Capital Investment Fund. This report has been prepared on the basis of this policy continuing. We will not have final confirmation of the likely increase in the taxbase and therefore any potential additional funding available until mid-January 2018.

8.3. Varying the Level of Council Tax

Within the revenue resource forecasts there is only one element of an on-going resource where a decision is needed by Elected Members – the annual council tax rise. Council tax is the biggest source of income the authority receives. Table 4 below shows the increased level of savings that would have to be delivered if the annual 1.99% increase included as part of the financing of OOP 2020 were varied.

Table 4: Additional savings required at varying council tax levels	£m
0% increase for 2 years	+10.4
1% increase for 2 years	+5.2
1.99% in 2018/19 and 0.0% in 2019/20	+5.3

In deciding the increase in the council tax in 2018/19 Elected Members need to consider the council tax referendum threshold. The threshold at which a

referendum on the council tax increase will be triggered has not been formally announced for 2018/19 and beyond. The figures in Table 4 assume the indicative maximum 1.99% increase previously announced remains. The cost of holding a referendum on a council tax increase above this threshold level is estimated to be about £1 million. This cost would have to be factored into the budget, even if a referendum were unsuccessful.

There has been some discussion nationally about additional flexibility to raise council tax above these levels specifically for the Fire and Rescue Service in much the same way as we are able to levy the additional 2% council tax for adult social care. If this flexibility is included as part of the Local Government Finance Settlement it will be reported to Members as part of the 2018/19 budget update paper to Cabinet in January. In advance of any Government announcement Members should not assume any such flexibility in preparing their draft budget proposals.

8.4. Increased Investment/Deletion of Savings proposals by a Political Group

The proposed allocations outlined above use all of the available on-going resources currently known. If a Political Group wish to make any allocations in addition to these or delete an existing savings proposal (see Section 5) then a specific alternative saving will need to be identified and/or an alternative plan for funding any of the issues identified in paragraph 4.3 brought forward at the same time. Only once this has been identified will an implementation plan for delivering the extra saving be developed by the Head of Service in conjunction with the relevant Strategic Director and Portfolio Holder/Spokesperson.

When making decisions about savings Members are reminded of the need to comply with equality duties and that any replacement proposals may require consultation and an equality impact assessment before they can be implemented.

9. Flexibility in the Budget – One-off

- 9.1. Our reserves, based on the Quarter 2 OOP Progress report are forecast to be £125.2 million at the end of 2017/18. A breakdown of the forecast level of reserves is shown in Table 5.

Reserve	Current Forecast At March 2018 £m	Planned use in 2018/19 £m	Planned use in 2019/20 £m	Forecast as at March 2020 £m
General Reserves	21.3	-	-	21.3
Medium Term Contingency	14.0	(7.7)	(1.2)	5.1
Insurance Fund	8.4	-	-	8.4
Redundancy Fund	12.4	-	-	12.4
Earmarked – Schools/DSG	18.7	-	-	18.7
Earmarked – Non-Schools	19.7	-	-	19.7
Service Savings	30.7	-	-	30.7
Total	125.2	(7.7)	(1.2)	116.3

- 9.2. The following paragraphs provided a brief commentary on each type of reserve highlighting where there is any flexibility in using some of these funds to support the financial refresh of OOP 2020.

9.3. General Reserves

Legislation requires that the Head of Finance make an annual statement on the adequacy of general reserves and provisions. The risk assessment for 2017/18 confirmed that the minimum level of general reserves it was prudent to retain was £18.5 million. General reserves are currently forecast to be £21.3 million by the end of 2017/18.

The risk assessment for 2018/19 will be formally updated and reported to Cabinet in January. There is nothing to suggest that the level of financial risk facing the authority has materially decreased. If anything the increasingly difficult decisions to deliver the required level of savings experienced and the use of reserves to delay/defer delivery means the underlying level of financial risk is increasing. Consequently, whilst there is currently £2.8 million in General Reserves that could be released to support the budget, no commitments should be made until the risk assessment for 2018/19 has been completed and the financial impact of the emerging financial pressures outlined in paragraph 4.6 crystallise.

9.4. Medium Term Contingency

This reserve was created in 2012/13 to manage any phasing/timing difficulties with the delivery of the current and future savings plans. The Medium Term Contingency is now forecast to be £14.0 million by the end of 2017/18. The proposals outlined in this paper require the use of £8.9 million of reserves. When this is added to the £5 million minimum level of working capital required and will be needed for any difficulties in the delivery of savings in the next two years, this leaves £0.1 million potentially available to support one-off investment to deliver long term sustainability of services. This effectively means there are no available one-off resources remaining for use as part of the 2018/19 budget proposals.

9.5. Insurance Fund

The £8.4 million in the Insurance Fund is the amount set aside to meet our insurance liabilities either in areas where we self-insure (such as IT equipment) or to meet any policy excesses. This resource is not available to support the budget.

9.6. Provision for Redundancy Costs

The Provision for Redundancy Costs is funding set aside to meet the one-off costs of reducing the number of employees as a consequence of delivering the savings plan i.e. redundancy payments and/or pension strain. From 2017/18 onwards it is expected that the level of the reserve will reduce on an annual basis. Without the reserve additional savings would need to be identified each year to fund any potential redundancy costs.

9.7. Schools Reserves

The £15.7 million in school reserves is money belonging to schools and cannot be used to support the County Council's budget.

9.8. Earmarked (Non School) Reserves

Earmarked Reserves are created where a Business Unit holds funding for a specific purpose. The current forecast of £18.0 million cannot be used to support the budget more widely; £8.5 million is set aside for statutory purposes or to fund existing Member decisions such as the government grant for the priority families' initiative and funding for speed awareness to be spent in partnership with Warwickshire Police. The remaining £9.5 million is set aside for specific investment projects.

9.9. Service Savings

This is funding accumulated by Business Units from previous years underspends. Of the £30.7 million forecast to be in these reserves, nearly 40% is held by the Social Care and Support and Strategic Commissioning Business Units. These service savings have been set aside by Business Units to

support transformation and as contingencies against delays in the delivery of their savings plans. The ability to carry forward reasonable underspends supports effective financial management across the authority and reinforces the responsibility for financial accountability. Corporate Board propose that none of this funding is used to directly support the budget but that the role of Strategic Directors, in ensuring any funding held covers service-based risks and that plans for the use of the reserve in accordance with the organisation's priorities are in place for the resource to be retained, is reiterated.

Holding these service reserves to cover financial risks in this way also reduces the level of funding needed to be held corporately to manage the financial risks facing the organisation, particularly around social care.

- 9.10. A final decision about whether there are any reserves over and above those outlined in this report available to support the budget cannot be made until after the Quarter 3 budget monitoring information is available and the outcome of the Local Government Finance Settlement is known. This information will be formally reported to Cabinet in January along with the 2018/19 risk assessment of the minimum level of General Reserves. No one-off funding, outside of that identified in this report should be used to support the budget at this stage.

10. Status of the Capital Programme

- 10.1. The 2017/18 budget saw the introduction of an integrated Capital Strategy for the period of OOP 2020. This strategy put in place a long term maintenance programme for the authority, with all other capital resources being allocated to a Capital Investment Fund (CIF). The evaluation criteria and process for all bids for capital resources seeking support was approved by Members in March 2017. This ensures a focus for the allocation of capital resources on the delivery of OOP 2020.
- 10.2. As part of the 2017/18 budget Members also approved the use of any growth in the tax base above that needed to finance the MTFP would be used to fund the financing costs of extra borrowing. For 2017/18 this equated to additional borrowing (and capital spend) of £28.5 million.
- 10.3. The MTFP, as currently approved, requires 1,500 additional houses in Warwickshire (band D equivalents) each year to remain in balance. Every additional 250 increases in household numbers above this could increase the funding available in the Capital Investment Fund by just under £4 million as a result of generating an additional £0.3 million revenue funding.

- 10.4. This report proposes no changes to the capital programme and assumes the retention of the approach put in place for 2017/18 is retained.
- 10.5. Separately the Government is currently consulting on the required content for an authority's capital strategy. If these changes are implemented for 2018/19 in line with current plans this will require additional technical content to be included as an addendum to the capital strategy and for the updated strategy to be approved as part of the 2018/19 budget. This will not impact on Member's previous decisions on how capital resources are raised and used. Any additional requirements will be reported to Cabinet as part of the budget update report in January.

11. The Need for a Balanced Budget

- 11.1. In putting forward their proposals Members are reminded that local authorities are required by law to have a balanced budget. However what is meant by 'balanced' is not defined in law. A prudent definition of a sustainable balanced budget is a financial plan based on sound assumptions which shows how income will equal spend over the short- and medium-term.
- 11.2. To avoid an unbalanced budget the Local Authority has to be financially resilient. Setting a clear medium-term financial plan helps clarify expected income and expenditure. Accurate awareness of the funding available in the forthcoming years means the Council stands a better chance of balancing the budget. Reserves are a useful option for balancing the budget in the short-term. However, reserves should not be used to pay for day-to-day expenditure and it is important that they are replaced when the short-term need has passed. Therefore, the financial plan needs to be fully balanced over the remaining two years of the OOP 2020 Plan. This means by 2019/20 the budget needs to be balanced on an ongoing basis, with no ongoing spending funded from one off resources.
- 11.3. If the budget is unbalanced then the Chief Finance Officer, supported by Corporate Board will have to consider issuing a Section 114 notice. Such a notice is only given in the gravest of circumstances, as during that time spending and other financial activity is suspended and the External Auditors and the Department for Communities and Local Government (DCLG) may then have to take over the running of the Authority.

12. Timescales and Next Steps

12.1. The Local Government Finance Settlement is expected to be announced before the end of December. The impact of this announcement will be reported to Members at Cabinet in January, at the latest. Council will then make the final decision on the 2018/19 budget at their meeting on 6 February 2018.

12.2. The proposed timetable is shown below.

Approach to Agreeing the 2018/19 Budget	
Date	Report
7 December	Report to Cabinet from Corporate Board on their budget proposals
20 December	Cabinet release their initial response to the proposals from Corporate Board
December and January	Political Groups develop their response to the proposals based on the information provided in the December Cabinet report and the Cabinet's response
25 January	Report to Cabinet outlining final information to be used in setting the budget. Cabinet release the Conservative Group's 2018/19 budget resolution(s)
31 January	Opposition Groups release any amendments to the Conservative Group's proposals
2 February	Comparison of budget resolutions released
6 February	Council agree 2018/19 budget and council tax

13. Background Papers

13.1. The submissions from services outlining their additional funding needs.

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Elected Members have not been consulted in the preparation of this report.

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
Allocations Supported			
Community Services	Waste Management - an allocation to mitigate the direct impact of housing growth and contract inflation	252	<p>2,550 new homes have been built in the last year which has resulted in an extra 2,728 tonnes of waste material per annum having to be processed.</p> <p>In addition, costs have increased as a result of inflation on disposal contracts, statutory recycling credits and statutory landfill taxes which are greater than the 2017/18 budgeted inflation allowance.</p>
Education and Learning	SENDAR - budget pressures	599	<p>The Special Educational Needs and Disability Assessment and Review (SENDAR) team budget has been propped up by the SEND Implementation Grant and resources set aside by the Head of Service to meet future years' savings. The SEND Grant has also funded commissioned statutory work, such as Information, Advice and Support and Education Psychology assessments. From April 2018, current funding levels cannot be maintained due to future saving plans and the ending of the SEND Grant. Assuming the same expenditure in 2018/19, this presents a resource gap of £0.413m and to maintain existing commissions of statutory work currently funded through the SEND Grant £0.186m is required.</p>

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
Children and Families	Child Sexual Exploitation, Missing Children and Trafficking Team and Local Authority Designated Officer (LADO) Service	214	<p>Child Sexual Exploitation: Funding for missing children's teams has previously come from underspends in Social Work teams. As the Social Work teams now require their full staffing quotient, this way of funding the current 3.5 FTE Missing Children Practitioners is no longer available as there has been a resulting financial pressure to be addressed from 1st April 2017. Note that the current 3.5 FTE are currently on temporary contracts. In recognition of the need to identify a more sustainable funding source providing the service funding of £0.167 million will allow the service to appoint permanent MCPs and to meet our statutory requirement for all children who go missing to receive a Return Home Interview, this statutory requirement was not being met</p> <p>Local Authority Designated Officer (LADO): The LADO is responsible in accordance with statutory guidance for overseeing the management of allegations against adults who work in a position of trust with children. This includes allegations against staff or volunteers who work in statutory, voluntary or independent sector organisations in Warwickshire. The Ofsted Inspection of children services in May 2017 found that designated officer arrangements for the management of allegations against professionals are insufficiently robust, and, as a result, interventions have not always been timely. In order to appropriately respond to Ofsted's inspection and for the service to meet statutory responsibilities and operational demands, the current establishment is insufficient. Additional funding of £0.047 million will be used to fund additional staffing resources to meet demand and OFSTED requirements/recommendations.</p>

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
Children and Families	School Transport for Looked After Children	200	<p>There is an ongoing pressure on the school transport budget for Children Looked After which is part of wider transport issues across the County Council where WCC has not been able to reduce expenditure. The ongoing pressure relates to an original transport savings target from 2014 that has not been achievable. £0.6 million was addressed through alternative savings plans. However this has not been able to address an additional pressure on this budget of £0.2 million which has remained as an overspend into 2017/18.</p>
Children and Families	Adoption Service and the development of the Regional Adoption Agency (ACE)	204	<p>The hard to place grant received from Central Government has over the last 3 years enabled LAs to claim back fees for the purchase of adoption placements for children from other LAs, this came to an end on 31 March 2017. This means that WCC now has to fund placements for these children where we are unable to recruit our own adopters within reasonable timescales for children with specific and complex needs, this is further compounded by the failure to achieve the budgeted total income from selling of inter-agency placements.</p> <p>There is therefore a recurring estimated shortfall of £0.204 million until spend activity changes as a result of the planned efficiencies that the ACE will bring and a reduction in the number of net placements made outside of the ACE.</p>

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
Customer Service	Family Information Service (FIS)	102	The children and families – a vision for the future model in the OOP 2020 savings plan document illustrates that making the savings relies on easy access to information advice and signposting. The aim is that if families can access accurate and up to date information at the earliest opportunity this will prevent the needs of the family from escalating, and thus the need to access more expensive specialised services. Therefore, there is a reliance on the FIS service to deliver cost effective early intervention, in order to deliver this there is a requirement to increase the capacity of the FIS team by 3.5 FTE at an annual cost of £0.102 million.
IT Services	Information Management - Subject Access Requests	149	<p>The Information Governance (IG) team in Information Assets provide support to Children & Families processing subject access request (SARs) for all teams except Adoption.</p> <p>Based on the savings in social worker, administrator and care manager's time and cost, it is recommended that the funding for IG resources continues in order to meet Data Protection legislation and the Information Commissioner's requirements.</p> <p>Allocating this resource will also help the IG team in preparations for the major requirements under the General Data Protection Regulations in that it will free up resources to ensure we meet these requirements.</p>
Fire and Rescue	Provision pending decisions on the level of savings to be delivered by the Fire and Rescue Service	780	
Permanent Allocations Agreed		2,500	

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
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Allocations Not Supported

Community Services	Waste Management - budget pressures	71	Allocations in excess of current levels of structural overspend. Rejected as assumes a level of growth in the future.
Education and Learning	SENDAR budget pressures	434	A further £0.434m was requested to increase SENDAR to staffing levels required to meet statutory requirements, however, Corporate Board decided this element relates to the expansion of the service
Public Health	Drugs and Alcohol Service	400	Drugs and Alcohol is our biggest OOP2020 savings target at £1.3m. Public Health savings have been used to reinvest in high need areas either recurrently or as one off investments. Failure to deliver would require us to consider alternative savings in other areas which in turn would compromise the imperative to meet our mandated requirement. Strategic outcomes remain the same but the market may not deliver a viable service based on the current levels of reduction proposed in OOP2020. Rejected as request to permanently reduce savings target.

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
Children and Families	Annual Health Charge for the cost of Medical Advice relating to adoption & Special Guardianship Orders (SGOs) Health Assessment	83	<p>Local Authorities have a statutory duty to seek health information in relation to adoptive parents and the matches between adoptive parents and children. The most recent advice by the Department of Health and NHS England is that CCGs have a right to require the Local Authority to fund certain activities that were previously funded by the CCGs. Our local CCGs are now exercising that right, creating this cost pressure. WCC has contested this unsuccessfully.</p> <p>Rejected as reciprocal changes to the services WCC funds which are nominally health spend should offset this</p>
Children and Families	The Children's Social Work Act 2017 – Extension of Duties to Care Leavers	281	<p>The Children's Social Work Act 2017 requires the Local Authority to provide a Personal Advisor service for Care Leavers up to the age of 25 years. This is a new requirement; previously this service was available up to the age of 21 years. This service must also to be provided to Unaccompanied Asylum Seeking Children & Young People.</p> <p>Rejected as we are anticipating New Burdens funding which, when received, will be allocated to the service</p>

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation of Permanent Funding

Business Unit	Title	2018/19 £000	Commentary
Customer Service	Sunday Opening at the Hub Libraries (Leamington, Nuneaton and Rugby) and maintain current opening hours at Whitnash and Lillington libraries	83	<p>To retain Sunday opening at the hub libraries beyond 31st March 2018 and not implement the saving plan agreed as part of the 2014-18 OOP that has been deferred for two years through the allocation of one-off funding. In addition, to retain current opening hours at Whitnash and Lillington libraries after Warwick District Council informed us of their intention to withdraw one stop shop service delivery and staffing from these libraries.</p> <p>Rejected but left on the list for Members to consider in view of their previous decision on Sunday opening.</p>
Permanent Allocations Rejected		1,352	

2018/19 Budget Refresh - Proposals from Corporate Board for the Allocation Time-limited Funding

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Allocations Supported				
Community Services	Waste Management Budget Pressures	322	0	<p>At the beginning of 2017/18, Rugby BC resolved to start charging its residents for the collection of green waste at the kerbside. The result is that more of the material is entering the general waste stream and therefore putting extra pressure on our disposal costs.</p> <p>In addition, we are now no longer able to put their residual waste through Coventry Energy from Waste facility and have been forced to divert all of their material to landfill. The increased green waste takes our waste over the permitted NOx level within their site permit. This has greatly increased our costs by £0.322 million.</p> <p>We are seeking a permanent resolution to this issue in 2018/19.</p>
Education & Learning	Quality of Early Years Education and Family Support Workers	194	0	<p>Funding to improve the quality of early years education and continue the work of family support workers pending review in 2018/19.</p>

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Public Health	Rephasing of savings plans*	2,188	0	<p>As a result of the budget reductions between 2015/16 to 2017/18 and the election delays between October 2016 and June 2017 Public Health have an underlying OOP2020 savings deficit of £1.463 million that will be added to the 2018/19 savings target of £2.188 million.</p> <p>Together, in 2018/19 these would result in an unachievable saving for Public Health of £3.651 million.</p> <p>Due to the need to meet the outstanding savings from 2015/16 – 2017/18 in 2018/19, it is requested that the OOP 2020 2018/19 additional savings target of £2.188 million is re-phased into 2019/20.</p>
Transport and Economy	HS2 Phase 1 delivery & Phase 2b Hybrid Bill	235	200	<p>HS2 Phase 1 is now an Act of Parliament and requires WCC to engage and discharge a number of additional statutory duties, some of which will be recoverable via an Service Level Agreement with HS2. The recoverable funds from HS2 will not cover all costs of supporting all of the council services and communities affected by HS2. This is because the petitioning and community support elements are excluded by HS2 as recoverable costs. The funding will provide the necessary revenue resource to develop mitigation plans that fully recognise the value of the country parks as community assets and revenue generating services of the council.</p> <p>Additional cost will also be incurred through the engagement with North Warwickshire communities to support them during their experience of the Phase 2b Hybrid Bill and appearance at the Select Committees in Parliament</p>

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Transport and Economy	Skills for Employment Project Extension	300	300	<p>The time-limited funding allocated in the 2014/15 Budget Resolution to establish and implement the Skills for Employment Programme finishes in 2017/18. A residual £350,000 is held in reserves to enable funding of on-going commitments that the programme has entered into (predominantly to take advantage of leveraging external funding from the European Social Fund). As such, the Skills for Employment Programme resources will be fully committed by the end of 2017/18, and no further new investments or interventions would be possible.</p> <p>A two year extension to the programme would ensure continuity of the valuable investments that are being made to support schools & colleges on employability skills and careers advice; develop a strategic approach to supporting skills solutions and career routeways for young people in our priority sectors; and enable us to create a joint long-term plan for this agenda on the back of the new National Careers Strategy, evolution of the Careers & Enterprise Company, and any potential devolved or external funding streams.</p>
Children and Families	Family Group Conferencing	146	146	<p>The need is to develop the Family Group Conferencing service by funding a further 3 x Family Group Conference co-ordinators at a cost of £48.7k each pa including on costs.</p> <p>Evaluation of the Smart Start project demonstrated a reduction in CLA giving a financial return greater than the investment made. This request seeks to develop and do more to increase the benefits and to reduce further the number of Children Looked After. The intention is to widen the age range and cover the whole of the County.</p> <p>Two years funding only, after that to be funded from savings.</p>

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Children and Families	School Transport for Looked After Children	240	0	The Local Government Ombudsman has found the Local Authority is acting unlawfully in the way it is remunerating our Foster Carers for school transport for children who are eligible for free school transport and has determined that in future all entitled children aged 4 years to 16 years should receive school transport and that transport costs should not be met from Foster Carer allowances. The Local Authority has agreed to back-date any requests to 2015 where Foster Carers feel they are out of pocket as a result of school transporting, this backdated element is expected to cost £0.240 million.
Children and Families	Specialist Equipment For Children with Special Educational Needs and Disabilities (SEND)	125	0	<p>There has been an increase both in volume and spend for non-stock equipment, more expensive non-standard equipment is being used to support an increased number of children with complex needs living in the community.</p> <p>An increase in population and an ongoing potential increase of families moving into the area will mean an increase in children with significant disability requiring specialist equipment. Equipment enables children and young people with SEND to remain at home and to access local education and health services. This then in turn prevents increased costs associated with alternative care.</p> <p>A one-off allocation has been made pending further work being carried out to improve understanding of the cost drivers that have resulted in increases to expenditure and to assess whether this is likely to be an ongoing pressure or represents a one-off change in patterns.</p>

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Children and Families	Adoption Service and the development of the Regional Adoption Agency (ACE)	0	94	<p>There is a national mandate to become part of a Regional Adoption Agency and Warwickshire County Council will be the host for Adoption Central England (ACE) for Warwickshire, Coventry, Solihull and Worcestershire. It has been agreed that all partners will work together to bringing the unit cost towards the current WCC levels from Year 2 of operation. Based on current RAA modelling as agreed with partners, the arising pressure of the higher unit costs for WCC in Year 2 is estimated to be an additional £0.094 million.</p> <p>It is anticipated that the budget pressures will be reduced by 2020/21, by evolving to a successful practice of placing more children within the ACE region thereby reducing the payment of inter-agency fees and by a reduction in overall unit costs across the Agency.</p>
Children and Families	Priority Families and Family Support	425	425	<p>The county council funding element of the Priority Families scheme will be withdrawn at the end of 2017/18. Nationally the government is committed to March 2020. Without a further budget commitment from the County Council, Priority Families would only be able to afford to fund Early Help Officer support and four Family Support Workers by 19/20. However reduced capacity would also have an impact on our ability to achieve the level of Payment by Results that we are currently claiming for evidencing the 'turnaround' of families.</p> <p>Even with the commitment of the Council to continue the current £0.425m funding for the last 2 years of programme, there would still need to be substantial reductions in the service delivery costs in the final year. There will be a degree of mitigation through the work of the 0-5 redesign project.</p>

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Children and Families	Rephasing of savings plans*	1,272	0	<p>Children's Centres: A commitment has been made to avoid disrupting the 2 Help Offer and to continue this to July 2018. This also provides time and capacity to evaluate options arising as a result of the consultation. As a result the savings have been re-profiled on the assumption that the planned implementation moves out 4 months to July 2017. This will involve negotiations with providers to try to mitigate costs of up to £0.093 million per month where this is possible.</p> <p>Children Looked After Placements: It has taken a longer lead-in time for the in-house fostering recruitment campaign to gain traction, therefore we are using a higher number of external fostering placements and fewer in-house placements than anticipated. This is currently being mitigated by a lower use of residential care as the highest cost placements than budgeted for.</p>
Corporate	Provision for the potential additional cost of school transport payments to foster carers	125	0	<p>The Local Government Ombudsman has found the Local Authority is acting unlawfully in the way it is remunerating our Foster Carers for school transport for children who are eligible for free school transport and has determined that in future all entitled children aged 4 years to 16 years should receive school transport and that transport costs should not be met from Foster Carer allowances. A provision for funding in 2018/19 only has been made, pending a decision on the Council's policy going forward.</p>

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Corporate	Digital First Customer Transformation Programme	2,500	0	<p>The expectations around digital access and ease of doing things online has increased and will continue to do so at pace. Councils face dealing with huge volumes of data and the need to continue to make investment in technology to help pinpoint people who need support, to improve outcomes for customers and facilitate better service delivery.</p> <p>The WCC Transformation Programme has a dedicated work stream: Digital First, which seeks to deliver further improvements in service redesign using digital capabilities. Our Digital First Transformation Programme is not just about putting things on line, it is about transforming our service offer around the needs of the customer. We will continue to transform the way we work to be more efficient, commercial and innovative in how we deliver our services. Our digital first programme will focus emphasis on saving money and improving the customer experience.</p> <p>The programme will ensure digital inclusion is given equal importance; digital Inclusion, those customers who are vulnerable and unable to access services on line are not disadvantaged.</p>
	In-year Time-limited Allocations Agreed	8,072	1,165	
	Total Time-limited Funding Allocated		9,237	

*Rephasings of savings plans are shown as a reduction in the savings plan rather than as time limited allocations on the budget report

Business Unit	Title	2018/19 £000	2019/20 £000	Commentary
Allocations Not Supported				
Community Services	Timebanking In Warwickshire	45	45	<p>£0.090 million requested to deliver a two year pilot 'Time Banking' Project. Time Banks are community based initiatives, which provide a means of exchange, whereby units of time act as the currency. This proposal relates to establishing a time bank, using the approach advocated and supported by Time bank UK. This can support the growth of the volunteering economy within Warwickshire, as a part of the Community Capacity Transformation Programme. Whilst there is widespread support for the establishment of a Time bank within Warwickshire, there is currently no resource available to deliver.</p> <p>This has been rejected as categorised as not an essential service.</p>
Transport and Economy	Skills for Employment Project Extension	200	200	Agreed to revert back to previous arrangements only hence £0.2 million rejected.
Children and Families	Priority Families and Family Support	300	300	<p>Family and Parenting service is currently funded by a variety of sources, approximately 75% of which are time limited or subject to annual review. – county council funding withdrawn at end of 2017/18. Within this, £0.3m is a time limited budget which currently supports the costs of 12 x 0-5 Family Support Workers and is due to cease at the end of 2017/18.</p> <p>Continued funding for the Family Support Workers for a further 2 years would have an enabling impact on the delivery of the new Family Hub model under the 0-5 redesign. Otherwise a number of staff contracts would end at the same time as the 0-5 redesign is being implemented.</p> <p>Rejected as funding was originally for transition per Government scheme ending in 2017/18.</p>
Time-limited Funding Requests Rejected		545	545	

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Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	Community Services Business Unit		
CG-CS-06	Youth Justice Service - a service redesign focussed on reactive court ordered activity with a reduction in staffing and management costs as a result	0	222
CG-CS-11	Community Services Management - a reduction in the funding for training, legal costs and projects and a reduction in management posts consistent with the redesign of the Business Unit	206	206
CG-CS-12	Trading Standards - implementation of a service redesign focussed on generic roles for trading standards officers and a 'one team' approach removing specialisms, partially offset by additional investment in intelligence to aid assessment and resilience, as a result there will be a reduction in staffing and management costs. Activity that delivers internet safety for vulnerable people will be protected	203	203
CG-CS-13	Waste Management - a reduction waste tonnage to landfill, an increase in trade waste and third party income, an increase in recycling and a change in the allocation of recycling credits for green waste and food waste	36	679
CG-CS-14	Communities Resources - a reduction in activity and staffing to focus on statutory activity such as freedom of information requests and information governance matters.	22	43
CG-CS-15	Heritage and Culture - a refocus of services on the Market Hall Museum, the County Records office and income generation	280	360
	Total for Community Services	747	1,713

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Appendix C

Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	Education and Learning Business Unit		
CG-EL-03	Attendance, Compliance & Enforcement Service (ACE): Reduce the number of cases that require intervention, effective use of funding from the priority families programme, increase trading with academy schools outside Warwickshire and reductions in the service	139	139
CG-EL-05	Reduction in management and administration and the removal of the funding set aside for school-based projects that arise during the year.	110	110
CG-EL-06	Restructure of the school improvement and early years quality improvement functions and the post-16 team to reflect the approach to school-led improvement approach and policy outlined in the Education for All Bill.	101	101
CG-EL-07	Access and Organisation; a reduction in planning costs, the removal of funding for vacant sites and removing the provision for the set-up costs of new schools	35	70
CG-EL-08	Stop funding redundancy costs for schools and only provide for existing commitments	100	221
CG-EL-09	Reduction in the Home to School Transport Budget.	320	1,648
	Total for Education and Learning	805	2,289

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Appendix C

Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	Public Health Business Unit		
CG-PH-02	Drugs and Alcohol - a reduction in costs, prioritised through a redesign and recommissioning process	0	923
CG-PH-03	Healthwatch - re-tendering and redesign of the service to allow greater use of different channels, of volunteers and alignment with other similar agencies	0	45
CG-PH-04	Dietetics - retain the acute provision and move community provision towards the preventative approach with access criteria and lower priority requirements accessed through other community provision.	0	200
CG-PH-05	Reduce staffing and overheads across the Business Unit	0	200
CG-PH-06	Smoking Cessation - redesign services to accommodate the changes in how the public are choosing to quit smoking	0	100
CG-PH-07	Health Visitors and Family Nurse Practitioners - reduction in costs, prioritised through a redesign and recommissioning process	0	735
CG-PH-08	Advocacy - retendering and redesign of the service, combining the two advocacy approaches into one (see proposed saving from Healthwatch)	0	85
	Total for Public Health	0	2,288
	Transport and Economy Business Unit		
CG-TE-03	Increased income as a result of pricing changes in Design Services, bringing our charges in line with the sector norm.	50	100
CG-TE-06	Generate income by an increase in the fees payable for licences and permits, including skips, scaffold, street café licenses and vehicular access requests.	5	10
CG-TE-07	Increase income targets to reflect current activity levels from Section 184 and Minor Works, Section 38 Agreements and pre application advice for highways.	10	20
CG-TE-09	Increase parking income as a result of re-tendering for the Civil Parking Enforcement operation, increased residential parking permits and on-street parking charges	44	88

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Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
CG-TE-10	Increased income from the permit scheme for working on the highway as a result of systems development efficiencies and a more targeted site inspection regime will ensure compliance with permit scheme approvals.	85	250
CG-TE-14	Commissioning of the cycle training service to an external provider.	5	5
CG-TE-15	Energy savings as a result of the capital investment into LED technology within our street lighting stock.	400	700
CG-TE-16	Increased income from the current portfolio of business centres as a result of sustained higher levels of occupancy and through proactive measures to improve service quality to enable increased rents in line with market conditions.	20	50
CG-TE-17	Increased income and surplus from County Fleet Maintenance following the installation of an MOT test facility at the new Hawkes Point site.	25	50
CG-TE-18	Develop the market for pre application advice, with the introduction of the pre-application charges in Flood Risk	20	20
CG-TE-19	Generate new income from the implementation and operation of a highway permit scheme for Solihull MBC. The County Council currently manages a similar permit scheme for Coventry City Council.	25	50
CG-TE-20	Winter gritting route optimisation as a result of rationalising depots to a single south depot.	0	25
CG-TE-21	Reduction in depot maintenance costs as a result of rationalising depots to a single south depot.	0	75
CG-TE-22	Increased income by the introduction of a new charging schedule for parking permits, including a consideration of a business parking permit scheme.	0	698
CG-TE-23	Increased income by developing portfolio of business centres, creating new units in areas of demand to support local economic growth and generate a positive financial return to the Council	0	80
Total for Transport & Economy Business Unit		689	2,221

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Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	Children and Families Business Unit		
PG-CF-01	Reductions, savings and efficiencies in the operation of the Business Unit including a refocus of council-led parenting training, efficiency savings from the establishment of a regional adoption agency and fully integrating the Priority Families team into the management and operational structures of the Business Unit	149	209
PG-CF-04	Delivery of a reduction in the need for children to become or remain looked after in Warwickshire	1,592	4,792
PG-CF-05 & CF-OOP 14-18	Children's Centres - a redesign of the service to reflect targeting support on those with greatest need	748	1,120
PG-CF-06	Changes to the placement mix of Children Looked After and improved management of placements, including building on best practice to improve the numbers of women that go on to successfully parent or make a positive choice not to have further children and delivery of a specialist single placement fostercare scheme	140	860
PG-CF-07	Savings in the commissioning of services including a reduction in external residential placement costs through a move to more collaborative provision and the development of a framework agreement to reduce the cost of psychological assessments	215	215
PG-CF-08	Increase the income generated from traded services including new income generation opportunities within the CAMHS contract	110	160
CF-OOP14-18	Children's Centres	0	0
PG-PPA-06	Reduction in the funding allocated to provide training for the Adults and Children's Safeguarding Boards	40	40
PG-PPA-07	Integration of the support services provided to the Adult and Children's Safeguarding Boards	31	31
	Total for Children and Families	3,025	7,427

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Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	Strategic Commissioning Business Unit		
PG-SCOM-01	Reduction in the Housing Related Support Programme through a further redesign of the service to ensure support is provided to the most vulnerable, supporting individuals to become more independent and self-sufficient. Review of contracts with a view to reducing costs/services, including decommissioning some specialist services and re-modelling and recommissioning generic housing related support services.	0	400
PG-SCOM-04	Reduce and reshape the staffing structure within the Business Unit and a reduction in programme and management support	49	171
PG-SCOM-05	All Age Disabilities - commission only statutory advocacy services and redesign appointee services	49	49
PG-SCOM-06	Integration of existing commissioning functions into a single commissioning service and generation of an income stream through joint commissioning with and on behalf of partner organisations	125	150
PG-PPA-04	Reduction in historic pension costs that will decline naturally over time	12	24
PG-PPA-05	Reduction in the contingency and projects budget of the Business Unit and the delivery of a rationalised Head of Service structure once the redesign and transformation work has been delivered.	22	204
PG-PPA-08	Rationalisation of the system supporting the Local Authority Designated Officer function with the main social care ICT systems to enable a saving in licensing costs and reductions in Google licence costs	4	24
PG-PPA-09	Redesign of the support function for Care Records ICT Systems	65	65
PG-PPA-10	Reduction in business redesign and collaboration functions and funding for service specific learning and development activity	0	66
	Total for Strategic Commissioning	326	1,153

2018/19 Budget Refresh - Proposals for Corporate Board for the Savings Plan
(excluding adult social care)

Appendix C

Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	Customer Services Business Unit		
RG-CS-02	Increase income from the Registration Service	10	45
RG-CS-05	Reduction in Library and One Stop Shop and Customer Service Centre management and support staff consistent with the restructure and redesign of these services	0	90
	Total for Customer Services	10	135
	Finance Business Unit		
RG-FIN-04	The service will reduce the number of staff it employs to support both service managers and Elected Members for budget setting, quarterly financial monitoring and final accounts, by focussing more on training and on-line support and redesigning services to improve the "financial literacy" of the organisation.	35	40
RG-FIN-05	The service will reduce the need for current staffing capacity by focussing on greater use of standardised processing of transactions, less manual intervention and exploring the benefits of a broader transactional service across the organisation.	30	120
	Total for Finance	65	160

2018/19 Budget Refresh - Proposals for Corporate Board for the Savings Plan
(excluding adult social care)

Appendix C

Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	Human Resources Business Unit		
RG-HR-05	Workforce Strategy and Organisational Development Service - Redesign the service reducing management and team capacity; streamlining learning and development processes with the HR Service Centre and reducing spend on corporately funded learning.	27	76
RG-HR-06	Implement a new HR and payroll system to replace HRMS and restructure the HR Service Centre. This will include the review of charges for all external customers	0	229
RG-HR-07	The purchase of the new HR and payroll system will provide an alternative learning management and e-learning option resulting in the decommissioning of WILMA and a reduction in the current licence costs.	0	31
RG-HR-08	Employee welfare - Review the employee welfare service, including seeking a more cost effective provider of staff care and a reduction of support to managers in health and safety and well-being.	48	48
	Total for Human Resources	75	384

2018/19 Budget Refresh - Proposals for Corporate Board for the Savings Plan
(excluding adult social care)

Appendix C

Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	IT Services Business Unit		
RG-IA-10	Savings in the costs associated with the management of the Information Assets Service. This includes options to rationalise the management structure associated with the refocused operational activity and a more commissioning style structure. It also includes an option to offer staff alternative working arrangements such as reduced hours.	58	123
RG-IA-11	Reduction in the costs associated with the management and support of the ICT Infrastructure equipment that is used to deliver our ICT systems and related facilities. This includes savings associated with the introduction of a new modern telephony service, further contract benefits and adoption of a capital approach for some projects/products.	110	210
RG-IA-12	Reduction in the funding associated with the provision of ICT Help Desk and Support Services, and a further reduction in the volume and costs of the personal computing facilities provided to staff and elected members.	145	285
RG-IA-13	Savings in the staffing budget for the Strategy, Programme and Information Team as Project and Programme management support capacity is reduced as part of the general reduction in size of the Council.	50	150
	Total for IT Services	363	768
	Law and Governance Business Unit		
RG-LG-02	Internal Audit - Savings achieved through streamlining processes and restructure of service	20	20
RG-LG-03	Increased surplus from external legal work - combination of reducing operating costs, increasing utilisation and delivering more external hours to external customers at increased hourly rates.	29	63
	Total for Law and Governance	49	83

2018/19 Budget Refresh - Proposals for Corporate Board for the Savings Plan
(excluding adult social care)

Appendix C

Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	Performance Business Unit		
RG-PE-03	Reduction in management and operational capacity through streamlining processes and redesigning the service.	45	90
RG-PE-04	Reduction in software tools and procured data sets which are used to provide insight and intelligence in support of transformation and service delivery for the Council.	10	20
	Total for Performance	55	110
	Property Services Business Unit		
RG-PA-03	Reduction in the Council's borrowing costs as a result of using capital receipts from the sale of land and buildings (both urban sites and smallholdings) to reduce long term debt	500	1,140
RG-PA-04	Reductions in WCC's landlord maintenance budget commensurate with the reduction in property holdings	50	100
	Total for Property Services	550	1,240
	Fire and Rescue		
	Alternative savings to be identified	0	1,520
	Total for Fire and Rescue	0	1,520

2018/19 Budget Refresh - Proposals for Corporate Board for the Savings Plan
 (excluding adult social care)

Appendix C

Ref Number	Description of change proposed	Cumulative	
		2018/19 £'000	2019/20 £'000
	Other Services		
OS-OS-03	Management restructure	100	100
	Total for Other Services	100	100
	CUMULATIVE TOTAL	6,859	21,591
	IN-YEAR TOTAL	6,859	14,732

Adult Social Care Proposed Medium Term Financial Plan 2018/19 to 2019/20

1 Introduction

- 1.1 The purpose of this report is to detail the proposed adult social care medium term financial plan (MTFP) for 2018/19 to 2019/20 following a refresh of the original plan set for 2017/18. The report is set within the context of the adult social care (ASC) service managing within its own financial envelope.
- 1.2 The 2017/18 MTFP for adult social care set out the intended use of the funding known at the time and the July 2017 Cabinet report added to this the use of the additional funding for social care announced by central government in March.
- 1.3 The focus of the 2018/19 refresh has included updating the overall financial envelope for updated information; a verification of pressures and savings; a review of the proposed use of the additional funding; and ensuring that proposals support the vision of greater integration between health and social care. In doing so, the demands and pressures on the service have been reviewed to confirm that they warrant the continuation of the policy of levying the additional 2% Council Tax levy for ASC each year.

2 Financial Planning Assumptions

- 2.1 The adult social care budget is set within the following parameters:
 - There will be no additional funding for ASC from general council tax above the level in place when the ability to levy the additional 2% for ASC was introduced.
 - The ASC council tax precept is passported to the service in full.
 - Ring-fenced grants are passported to the service in full.
 - Savings targets within ASC contribute towards the creation of resources to cover adult social care related budget pressures.

3 Available Resources

- 3.1 Table 1 details the total resources forecast to be available for ASC over the remaining two years of OOP 2020. The figures assume a 2% levy in each year of the plan and also include the agreed Better Care Fund values for 2018/19 and assumed values for 2019/20.

Table 1: Estimated Resources Available for ASC in 2018/19 and 2019/20		
	2018/19 £m	2019/20 £m
2017/18 Resources	136.943	
Fall-out of one-off funding allocated in 2017/18	(3.395)	
Base Budget	133.098	141.776
Extra Income from 2% ASC levy	5.223	5.517
Additional Better Care Fund Allocation	3.514	1.794
Other government grant changes	(0.059)	(0.055)
Total Available Resources	141.776	149.032

- 3.2 These resources need to be spent on ASC and in some cases the Council is required to certify this by completion of a return to Government, but there are no more detailed conditions or restraints on the use of the resources than that.

4 Integration with Health

- 4.1 Integration with health is built into the MTFP, due to the inclusion of the Better Care Fund (BCF), Improved Better Care Fund (iBCF), and Supplementary Improved Better Care Fund (SiBCF) resources. The various components of the BCF are detailed in Table 2.

Table 2: Breakdown of the Better Care Fund Allocations			
	2017/18 £m	2018/19 £m	2019/20 £m
BCF <i>(2017/18 figure is the BCF assumed when the budget was set in February 2017)</i>	11.588	12.742	12.742
iBCF	-	4.340	9.305
Supplementary iBCF	8.300	6.320	3.149
Total BCF	19.888	23.402	25.196

- 4.2 The proposals contained within the MTFP for the use of the BCF, iBCF and SiBCF have been agreed with health colleagues and signed off already by Members through Cabinet and the Health and Wellbeing Board. The

submission to the Department of Health, on 11 September 2017, commits the Council to these plans and, therefore they have been incorporated into the MTFP, as agreed with partners.

- 4.3 In addition to this, the other areas of commitment are part of aligned goals with health about supporting people to remain independent and in the community and building resilience to prevent hospital admission.

5 Budget Principles

- 5.1 This proposed plan aims to set out the recommendations from Corporate Board on how to best commit resources to activity in order to make the most of the resources available. In order to do this, the plan is guided by the following principles:
- Commitments can relate to any activity that delivers ASC services.
 - Commitments can relate to services that support or facilitate the delivery of ASC services. This is important to ensure that supporting or facilitative services do not become limiting factors in the delivery or transformation of ASC. However, the spending base upon which demand pressures are calculated is the more direct spending, and the emphasis therefore needs to be more towards more direct spending.
 - Spending patterns do not have to perpetuate existing spending patterns. New investment provides the opportunity to expedite the modernisation of spending patterns.
 - Investments may occur in services that are being reduced by savings targets at the same time. This is not contradictory, rather it reflects the complex position that many activities can impact on the same service at the same time.
 - Included in the plan are funds set aside to reflect as yet unforeseen recurring commitments. This provides a facility to respond when needed and to support further transformation activity.

6 Spending Allocations

- 6.1 **Annex A** sets out the proposed high level spending plan for the use of the resources in Table 1. This is summarised in Table 3 below. Because adult social care is containing all plans within its own financial envelope, where the level of other pressures allows, resources can be used to mitigate high risk savings plans.

Table 3: Proposed Adult Social Care Spending Allocations		
	2018/19 £m	2019/20 £m
Base Budget (from Table 1)	133.098	141.776
Inflationary Pressures	5.976	5.735
Demand Led Pressures	4.264	2.901
Other Spending Pressures	(0.268)	0.156
Additional iBCF Commitments	1.308	0.704
Total Spending Need	144.378	151.272
Less Available Resources (from Table 1)	(141.776)	(149.032)
Shortfall/(Surplus) Resources	2.602	2.240
Required Savings Plan	(2.602)	(2.240)

6.2 The plans for the iBCF that have been agreed with Health colleagues include the reduction of high risk savings targets. Table 3 above and Annex A show commitments against the iBCF only for the areas which create additional spending. The elements which reduce savings plans have resulted in the adjustments are detailed in Section 7 and **Annex B**.

6.3 **Annex C** provides a full reconciliation of how all the iBCF and SiBCF resources are being used. This is summarised in the table below:

Table 4: iBCF and SiBCF Spending Commitments			
	2017/18 £m	2018/19 £m	2019/20 £m
Stabilising the Market	3.185	3.170	3.170
Protecting Social Care	1.872	3.127	4.167
Reducing Pressure on the NHS	1.920	2.465	2.265
Transformation Programme	0.250	0.500	0.800
Additional Support including redesign of 'Front Door' and Fire & Rescue Capability	1.073	1.398	0.757
Total Commitments	8.300	10.660	11.159

7 Savings Plans

7.1 Balancing the level of resources to the additional spending needs in ASC outlined above requires the delivery of £2.602 million of savings in 2018/19, increasing to £4.842 million by 2019/120. These levels of savings are significantly lower than those approved as part of the OOP 2020 savings plans in February 2017.

7.2 **Annex B** outlines the proposed ASC savings plan through to 2020 and identifies those elements where changes are being proposed. As mentioned in Section 6, the majority of the changes are reductions which are possible due to the increased funding for social care provided through the SiBCF. This has enabled the reduction of the most challenging plans.

7.3 Additional reductions are proposed to adjust for savings which are either contrary to the transformation model, or which are likely to result in greater pressures if delivered. These issues have been identified as the transformation model has been clarified.

7.4 The largest additional savings reductions are:

- The removal of the saving from reductions in disability short breaks (PG-SCS-04). The removal of this savings plan will help to support people to stay with their families and reduce the likelihood of carer breakdown.
- The removal of the saving from national living wage (NLW) implementation management (PG-SCS-15). Inflation pressures are factored in within the pressures detailed in Annex A of this report, and therefore to simplify planning, the spending envelope reflects the latest thinking on what providers will need to manage changes to staff wages. This also sets out a more positive message to the market.
- The removal of day opportunities savings (PG-SCS-19). Daycare has already been halved over the last 5 years, and the scope to redesign and improve the day opportunity offer has been identified, research into the outcomes met by daycare has shown that it is largely used for day respite for carers, and therefore reductions of this size are likely to cause larger pressures due to carer breakdown. This would be contrary to the transformation model.

7.5 The remaining list of savings is then focused on key initiatives which will support the transformation of social care.

8 Financial Risks and Reserves

8.1 The key financial risks facing ASC have been identified as:

- Shortfalls or slippage in the delivery of savings plans.
- Cost transfers from health service initiatives not matched by funding transfers.
- Costs driven by strategies or activity in other sectors (eg CHC strategies by health partners)

- New burdens not matched with new resources, e.g Care Act Funding Reform.
- Difficulty in managing NLW changes and clarifications in application (e.g. if there needs to be 6 years back pay for sleeping night workers) and price inflation pressures.
- Difficulty in managing demand/demography pressures.
- Uneven allocation of funding resulting in some functions becoming a limiting factor. This could occur between different front line services or between front line and support services.

8.2 On the converse side, there may be a risk of inefficient planning or an unnecessary slowing of pace caused by overfunding. Where a service has spent significant time planning savings in order to create a balanced budget, followed by other agents making decisions to support the service with more money in the belief that it is in a critical situation (such as the BCF or one off grants).

8.3 Social Care and Support and Strategic Commissioning Business Units are currently forecast to have reserves of £8.319 million reserves relating to ASC.

8.4 These reserves provide the ability to support investment to deliver the longer term savings plans, and some cushion against one-off slippage in savings plans and well as enabling the service to remain financially balanced should any of the above risks materialise. The reserves also provide a buffer to manage any emerging pressures in the service.

8.5 It is therefore expected that ASC should be able to deliver a balanced budget throughout the OOP 2020 Plan period without requiring additional resources to be allocated and/or redirected from elsewhere across the organisation.

9 ASC Levy/Precept

9.1 The current plan assumes a 2% increase in each year of the Medium Term Financial Plan. This equates to broadly £5m each year.

9.2 Local Authorities are allowed to increase the ASC levy by 6% between 2017/18 and 2019/20 but cannot go above 2% in 2019/20. If the levy is not applied (or is less than 2%) in 2018/19, it cannot be compensated for in 2019/20. The maximum options available are therefore 2% and 2% or 2% and 1% (in 2018/19 and 2019/20 respectively).

- 9.3 The spending plan in Annex A outlines in detail the expected pressures facing ASC. The inflationary pressures and the demand pressures are particularly significant in nature and the levy is critical to the Council in terms of addressing these. The removal of the levy, or a reduced levy would be likely to result in a financial deficit as these inflationary pressures and demand pressures manifest.
- 9.4 Although there are ASC reserves in place, it is not advised that these are utilised in place of the ASC levy. A permanent increase in the council tax taxbase secures in the long-term a higher income from council tax. Demographic predictions suggest that this is required. As noted earlier in the report, the ASC reserves are well placed to address unforeseen pressures and provide necessary investment to deliver required savings in the future.

10 Summary

- 10.1 A balanced budget has been set for 2017/18 for adult social care but this has been made possible by the allocation of additional resources by Government and through Member's approving the additional 2% council tax levy for a second year.
- 10.2 There remain significant risks but the proposals outlined in this plan would provide a robust basis for delivering a balanced ASC MTFP through to 2020.

Proposed Adult Social Care Spending Allocations

	2018/19 £'000	2019/20 £'000
Inflationary Costs		
Pay awards	524	1,057
Income inflation (primarily from charging)	(593)	(1,198)
Price inflation - general	70	140
Price / NLW inflation - Care at Home	1,440	2,821
Price / NLW inflation - Residential Care	2,456	4,811
Price / NLW inflation - Nursing Care	206	403
Price / NLW inflation - Other care	1,881	3,685
Sleeping Nights Cover (in addition to iBCF funding)	300	300
Inflation Contingency	(308)	(308)
Inflation Sub Total	5,976	11,711
Demand Costs		
Demand pressure - older people/older people mental health	1,455	2,535
Demand pressure - physical disabilities	80	178
Demand pressure - learning disabilities	2,028	3,753
Demand pressure - mental health	1	-
Deprivation of Liberty Standards	600	600
Integrated Community Equipment Services	100	100
Demand Sub Total	4,264	7,166
Budget Pressures		
Mosaic/Abacus development		
One Off Costs in 2017/18 dropping out - Investment Fund	(1,245)	(1,245)
Contingency - recurring	27	36
Organisational development	400	400
Community Capacity	(100)	(200)
Whole life disability service remodel	300	300
Disability Provider issues	350	450
Young Carers caring for adults	-	61
Mosaic Development - business analyst resource	-	86
Pressure Sub-total	(268)	(112)
Additional iBCF Spending		
Investment in market stability	(15)	(15)
Reducing pressure on the NHS	545	345
Protecting adult social Care	778	387
Currently unallocated	1,154	2,449
iBCF Sub-total	2,462	3,166
Total	12,434	21,931

Adult Social Care Savings Plan - Proposed Changes

		Current Savings Plan		Changes		Proposed Savings Plan	
		2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000	2018/19 £'000	2019/20 £'000
PG-SCS-04	Redesign contract arrangements for short breaks for people with disabilities, ensuring more consistent use of residential respite	332	723	(332)	(723)	0	0
PG-SCS-06	Ensure the personal budget offer is consistent and appropriate to need, including the use of the Resource Allocation System	524	802	(172)	(302)	352	500
PG-SCS-07	Increased reliance on mainstream transport solutions to enable customers to access the services they need	165	408	0	0	165	408
PG-SCS-11	Service redesign for Social Care and Support teams (except Reablement - separate savings plan), reshaping the workforce to meet the future model of adult social care	550	1,189	(550)	(639)	0	550
PG-SCS-15	Management of the National Living Wage and inflation impacts through the development of a revised commissioning approach	1,100	1,100	(1,100)	(1,100)	0	0
PG-SCS-16	Use alternative 24 hour care options e.g. extra care housing and supported living	669	1,294	0	0	669	1,294
PG-SCS-17	Develop and shape community alternatives and improve social capital to reduce demand on statutory social care services	960	1,980	0	(780)	960	1,200
PG-SCS-18	Alternative solutions for low level needs for home care e.g. assistive technology, information, advice and community resources	416	830	0	(230)	416	600
PG-SCS-19	Consideration of alternatives to day opportunities	701	1,402	(701)	(1,402)	0	0
PG-SCS-20	Remodel direct payment employment support services	0	150	0	0	0	150
PG-SCS-21	Reshaping the information and advice contract aimed at supporting people to return home safely from hospital	0	100	0	0	0	100
PG-PPA-06	Reduction in the funding allocated to provide training for the Adults and Children's Safeguarding Boards	40	40	0	0	40	40
PG-PPA-07	Integration of the support services provided to the Adult and Children's Safeguarding Boards	30	30	(30)	(30)	0	0
	Total for Social Care and Support	5,487	10,048	(2,885)	(5,206)	2,602	4,842

Proposed Use of the Improved Better Care Fund

	2017/18 £'000	2018/19 £'000	2019/20 £'000
Stabilising the Market			
Residential and nursing care fee rates	1,000	1,000	1,000
Home care fee rates	400	400	400
Workforce Development Training Arm - Operating Costs	215	215	215
Workforce Development Training Arm - Provider Bursary	300	400	400
Extra Care Housing Waking Nights Cover	350	455	455
Sleeping Nights Cover	920	700	700
Total - Stabilising the Market	3,185	3,170	3,170
Protecting Social Care			
Support to Carers - set up a 5 area model of carer support covering the whole county delivering and co-ordinating care support, training, peer support, etc.	100	100	100
Protecting older people community care budgets	693	1,734	2,735
Services to support dementia in the community	215	215	215
Care Management Capacity	539	550	639
Cost transfers from housing related support - Reductions in housing related support budgets have resulted in the identification of the meeting of adult social care needs which will have to continue to be met.	158	278	478
Social Worker capacity	167	250	0
Total - Protecting Social Care	1,872	3,127	4,167

Proposed Use of the Improved Better Care Fund

	2017/18 £'000	2018/19 £'000	2019/20 £'000
Reducing Pressure on the NHS			
Rapid Response Support Team - to assist with avoiding preventable hospital admissions for a cared for individual that is living in their own home	300	465	465
Managing flow in and out of acute settings - purchase of packages of care with the specific purpose of facilitating discharge and avoiding admission to hospital.	575	350	350
Expanded brokerage and associated administration capacity to also extend service to cover acute/community and CHC.	100	200	200
OT and Physiotherapy Capacity - to support need in the short term and promote independence in the longer term.	200	400	200
Replacement care for carer breaks	200	250	250
Residential Respite Care Charging Policy	125	250	250
End of Life - Improving provider skills to support customers with end of life care, preventing hospital admission	70	200	200
Delayed Transfers of Care - supporting process improvements and data around the DTOC pathways	100	100	100
A&E on call worker - enabling late discharge from A&E by providing on call support to get people home out of hours, and supporting them until mainstream support can take over	100	100	100
Enhancing Social Prescribing	150	150	150
Total - Reducing Pressure on the NHS	1,920	2,465	2,265
Transformation programme			
Community capacity investment - increase the level of targeted investment in community capacity e.g. personalisation, micro enterprises, etc.	0	200	500
Market Sustainability (short term) - to support enhanced payments to market to ensure flow of provision during critical points in the year e.g. winter pressures.	200	0	0
Advocacy Support Capacity	50	100	100
Direct Payments Infrastructure	0	200	200
Total - Transformation Programme	250	500	800

Proposed Use of the Improved Better Care Fund

	2017/18 £'000	2018/19 £'000	2019/20 £'000
Additional Support			
Redesign of OT (front door) - significant redesign of the 'Front Door' modelling e.g.; redesign of customer contact centre/website redesign including Directory/self assessment and emarket development.	316	641	0
Fire and Rescue Capability - in respect of: emergency medical response, slips trips and falls prevention, telecare rapid response support, home assessments hospital discharge.	207	207	207
Communications support	40	40	40
Support service support - commissioning, finance and programme management	250	250	250
Contingency - % sum of funding held for any penalty payment relating to DTOC.	260	260	260
Total - Additional Support	1,073	1,398	757
Total Commitments	8,300	10,660	11,159