



Committee and Date

Cabinet

9<sup>th</sup> December 2015

12:30pm

## FINANCIAL STRATEGY 2015/16 - 2020/21

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### 1. Summary

This report presents the next stage in developing a sustainable financial strategy for the Council. It updates the modelled funding anticipated to be available to the Council over the next five years as far as this is known and shows how our expenditure will be contained within these limits. This report builds on the information provided to Cabinet on 28 October 2015 and should be read in conjunction with that report.

The key changes and developments since 28 October can be summarised as follows:

- Updated savings proposals for 2016/17 have been identified in greater detail
- The impact of the CSR Announcements by the Chancellor on 25 November 2015 has been considered
- Changes to expenditure and resource assumptions have been identified
- An In-Year Virement of £1.382m for 2015/16 is proposed for the Adult Services Budget

At this stage the impact on services beyond 2016/17 has not been completed. It is proposed that a Special Cabinet is held in January 2016 to consider longer term implications.

The announcement in the Chancellors Spending Review announcement on 25 November 2015 stated that upper tier local authorities will be given the power to levy a new social care precept of up to 2% on council tax, above the level of the referendum limit. This provides the Council with an additional option towards balancing the budget for 2016/17, and beyond, in the face of significant budget pressures in this area.

### 2. Recommendations

It is recommended that members:

- A. Approve the revised savings for 2016/17 as set out in Appendix 3
- B. Note the savings to be managed on a one off basis in 2016/17
- C. Recommend to Council in February 2016 a precept of 2% for Adult Social Care from 1 April 2016
- D. Recommend to Council in February 2016 an increase in Council Tax of 1.99%
- E. Recommend to Council on 9 December 2015 a permanent virement of £1.382m from Corporate Budget to Adult Services in 2015/16

## REPORT

### 3. Risk Assessment and Opportunities Appraisal

- 3.1. The development and delivery of the Council's Business Plan and Financial Strategy is the key process in managing many of the Council's strategic risks. The opportunities and risks arising are assessed each time the document is refreshed for Cabinet consideration. The Council's Strategic Risks are reported separately, but the Business Plan and Financial Strategy makes specific reference to the significant financial uncertainty across Local Government in the Medium Term.

#### **Financial Uncertainty**

- 3.2. Reference should be made to the report to Cabinet 28 October 2015 of which the following is an update.
- 3.3. The funding settlement announced in February 2015 provided the 2015/16 financial settlement information only. No financial information for local authorities beyond 2015/16 has been confirmed. Announcements by the Chancellor in the summer and in the Spending Review and Autumn Statement announced on 25 November 2015 indicate that spending cuts for local government will be between 8% and 12%. There is ongoing uncertainty around the funding of new government policies and legislative changes, for example the retention of 100% of Business Rates revenue, the review of New Homes Bonus Grant and Public Health Funding. The detail of these proposed reforms still needs to be announced and it is only then that the financial implications for the Council can be analysed. The Local Government finance settlement is not expected until the middle of December.
- 3.4. The funding mechanism for Business Rates does not reflect any service needs changes from year to year. It is proposed that the existing system will not be reset for 7 years from introduction i.e. by 2020/21. With the changes

proposed for 100% retention of Business Rates, it remains to be seen if any new redistribution is brought into any new funding mechanism.

- 3.5. By creating a Financial Strategy and developing a Sustainable Business Model, built around the concept of a self-sustaining Council no longer reliant of central government funding, the Council is in a stronger position to approach future challenges proactively, rather than reactively. There is however a risk that where new burdens are not fully financed and have to be met locally this will create inequalities in terms of where needs fall as compared to where resources are available, with this inequality unable to be 'fixed' by way of central Government intervention through some form of redistribution.
- 3.6. The Council will need to keep a reasonable level of general reserve to help mitigate against the risk of delay in implementation of significant savings proposals. It is essential that this is kept under review both in the current year and in future years. The Chancellor's statement on 25 November 2015 indicated that Local Authorities will be encouraged to draw on reserves to manage cuts in funding. Increased uncertainty and speed of change, however, suggest the need for increased levels of reserves is greater than ever before.
- 3.7. Setting the Financial Strategy and agreeing the detailed changes necessary to deliver the agreed budget for the next financial year, will take into account the requirements of the Human Rights Act, any necessary environmental appraisals and the need for Equalities Impact Needs Assessments and any necessary service user consultation.

#### **4. The Existing 3 year Financial Strategy, 2014-2017**

- 4.1. In February 2014, Council agreed a 3 year Financial Strategy which identified a funding shortfall over the 3 year period 2014-17 of £80m and savings proposals to meet the shortfall. The monitoring of achievement of savings proposals and RAG categorisation of savings has been undertaken throughout 2014/15 and continues in 2015/16. In the report to Cabinet on 28 October 2015, it was noted that to achieve all the savings required to meet the existing 2014-17 Strategy, the Council must deliver savings of £28.3m in 2015/16 and in 2016/17:
  - Make additional savings of £16.868m from base budget
  - Find alternative savings of £7.466m to replace savings met by one off resources in 2015/16 (reported in February 2015)
  - Deliver £1.207m of delayed 2015/16 savings (reported in February 2015)

- Deliver a further £4.028m to cover further slippage in 2015/16 savings identified during in the current financial year.
- 4.2. Overall, this means a total savings target of £29.569m has been identified for 2016/17. Since the 28 October report, revenue monitoring reports for 2015/16 have identified further slippage of £3.260m in savings proposals (£2.685m in Adults and £0.575 in Commissioning). Once these have been taken into account, the latest position on savings required under the existing 2014-17 strategy is £32.829m as shown below:

**Table 1: 2016/17 Savings- Existing 2014-17 Strategy**

	<b>£'000</b>
Original savings Target - Feb 2014	16,868
2015/16 Unachievable Savings met on one off basis (RED) - Feb 2015 FS Report	8,673
2015/16 Unachievable Savings identified during the summer 2015 (RED) – 28 Oct 2015 FS Report	4,028
Total savings required – 28 Oct 2015 FS Report	29,569
2015/16 Unachievable Savings (RED) – identified at Period 7 Monitoring	3,260
2016/17 Revised Savings Target- 2014-17 Financial Strategy assumptions	<b>32,829</b>

- 4.3. From Table 1 above, it can be seen that the 2016/17 savings target of £32.829m consists of £15.961m of 2015/16 savings which are now considered to be unachievable. The revised financial strategy therefore takes account of savings of £15.961m in addition to the identified savings gap for 2016/17.
- 4.4. The current 2014-17 Financial Strategy was agreed by Council in February 2014. The projection of a funding gap of £80m over the 3 year period was based on the best available information at the time. Over the last 18 months, resource and expenditure projections have been revised to take account of new and updated information. Any changes have been reported to Cabinet as part of updated financial strategy reports and for simplicity the original savings envelope of £80m has been maintained.

- 4.5. In the 28 October report, it was recognised that the existing financial strategy for 2014-17 would need adjusting in its final year and that the new financial strategy should cover the 5 year period 2016-2021 to provide sufficient time to develop a new sustainable approach for the Council based on the permanent loss of central Government grant funding by 2020/21.
- 4.6. The Sustainable Business Model (SBM), which provides a more sustainable financial basis for the Council over the medium to long term, was described in detail in the 28 October report and is updated briefly in Section 9 below, based on latest information.

## **5. The Current Financial Year 2015-16**

- 5.1. The budget for 2015/16 was agreed by Council on 26 February 2015.
- 5.2. As the 2015/16 financial year progresses, revenue monitoring reports continue to monitor the achievement of 2015/16 savings and highlight any financial issues for the current year budget and also any ongoing implications. These ongoing implications will be included in the Financial Strategy.
- 5.3. The latest 2015/16 monitoring information identifies a projected overspend for 2015/16 of £3.609m. Of this projected overspend, £9.937m relates to RED 2015/16 savings pressures which together with other 2015/16 pressures are offset by in-year savings to give a projected overspend of £3.609m. As noted in the table above, RED 2015/16 savings noted as unachievable of £4.028m, £3.260m and £8.673m slippage agreed in February 2015 have been added to the 2016/17 savings requirement.
- 5.4. The ongoing financial implications of new service pressures are currently estimated at £6.491m. Work is currently being undertaken to ensure this pressure, and corresponding solutions, are built into our assumptions for 2016/17. Alternative, ongoing savings proposals will need to be identified before 1 April 2016 to ensure this does not leave future budgets in an unbalanced position.
- 5.5. The majority of these funds relate to release of information around government funding, were not confirmed until very late into the budget process and could not be relied upon as baseline funding. Whilst included in the budget build up, no commitments were made against these funds at budget setting. This approach ensures ongoing reliance in the budget is not placed on funding sources which cannot be guaranteed on an ongoing basis. It also provides the opportunity to use this resource on a year on year basis to aid any transition to new delivery methods and manage any delays

in the achievement of savings. For example, Council Tax Freeze Grant (CTFG) could be committed at budget setting but we would then need additional savings to be identified later in the process if the grant were removed. The approach taken, instead, has been to assume CTFG is not on-going, to balance to a base budget without it and to then use the resulting grant as one-off resource to aid transition for each year it is paid. As in previous years, none of these one-off resources are reported through monthly monitoring as it is inappropriate, when adopting this approach, to utilise these funds to counteract overspending. Rather they represent a tool to help deliver a resilient balanced budget. The resources identified will be ring-fenced and carried forward to 2016/17.

**Table 2: 2015/16 Resources Available for Transition**

Description	Value (£)
Pay, Prices and Increment Inflation not allocated	755,460
Changes in budget assumptions	2,225,850
Council Tax Freeze Grant Uncommitted	1,532,400
s31 Grant Unallocated (small Business Rates Relief)	3,449,810
RSG/Top Up grant end of year adjustments	1,307,360
Other Adjustments - unallocated grant	533,210
Total	9,804,090

- 5.6. In addition to the one-off resources described above, a small amount of base budget funding is available as a result of overly prudent assumptions in resource forecasts. This relates specifically to a Business Rates Appeals provision that was built into base budget and can now be reduced, following a recent review. It is recommended that this resource (£1.382m) is vired to Adult Services in 2015/16 as base budget. This approach will help to ensure the opening budget for Adult Services for 2016/17 is closer to projections set out in the Sustainable Business Model.

## 6. 2016/17 to 2020/21 Projections of Resources and Expenditure

- 6.1. As detailed above the current savings targets are based on resource and expenditure projections agreed in February 2014 as part of 2014-17 Financial Strategy.
- 6.2. For 2016/17 the current strategy identifies a gap of £18.333m with savings required of £16.868m. The savings required are lower than the gap as the strategy originally profiled a small over achievement of savings in 2015/16 to carry forward.

- 6.3. As part of the Sustainable Business Model work undertaken to date, the resource and expenditure projections were revisited over the summer and reported in October as follows:

**Table 3: SBM Projections compared to existing 2016/17 Projections**

	2016/17	2016/17	2017/18	2018/19	2019/20	2021/22
	FS 29/07/2015	SBM	SBM	SBM	SBM	SBM
Resources	553,475,225	560,219,070	557,732,326	557,203,117	557,641,618	559,315,419
Expenditure	571,808,081	581,381,655	593,823,408	608,505,667	620,435,490	633,145,833
Funding Gap	-18,332,856	-21,162,586	-36,091,082	-51,302,550	-62,793,872	<b>-73,830,414</b>
Year on Year Savings		-21,162,586	-14,928,497	-15,211,468	-11,491,322	-11,036,541

- 6.4. It can be seen from Table 3 that the SBM approach increases the funding gap in 2016/17 by £2.830m (from £18.333m to £21.163m) which in part represents an adjustment for pressures identified through 2015/16 monitoring.
- 6.5. A proportion of unachievable 2015/16 savings were managed on a one-off basis in 2015/16, but as previously reported, will have to be added to the existing funding gap identified for 2016/17. Put another way; the first £15.961m (see paragraph 4.3) of savings identified for 2016/17 are effectively just covering off 2015/16 base savings already taken that for various reasons cannot now be achieved.
- 6.6. Since October, both the Resource and Expenditure Projections have been revised.
- 6.7. The Resource projections have been reviewed taking consideration of the following:
- 2016/17 Council Tax taxbase has been updated which increases expected resources by £1.959m in 2016/17 (increasing to £2.145m by 2020/21)
  - Following the Chancellor's Autumn Statement, a 2% Precept can be ringfenced to Adult Services. This produces an increase in resource of £2.443m in 2016/17, growing to £13.929m by 2020/21 if applied each year.
  - A further increase of 1.99% in Council Tax (subject to the confirmation of the referendum limit) can be applied in all years from 2016/17 as detailed in the October Strategy (Option B rather

than Option A). If applied, this results in £2.432m additional income in 2016/17 and £5.380m in 2017/18.

- 6.8. Together, the 3 changes identified above increase resource projections by £6.834m in 2016/17 and £21.719m by 2020/21.
- 6.9. The expenditure projections have been reviewed, taking account of the following:
- An estimated additional cost of £2m for National Insurance Changes is required in base budget from 2016/17
  - £0.5m for the apprenticeships levy announced in the Chancellor's Spending Review
  - An estimated £1m growth, year on year 2016/17 to 2020/21 for the impact of the minimum wage increases, potentially adding £5m to costs by 2020/21.
- 6.10. In total, the changes above increase the expenditure projections by £3.5m in 2016/17 and by £7.5m by 2020/21.
- 6.11. The overall net impact of these changes in resources and expenditure result in the savings requirement being reduced by £3.334m in 2016/17 and by £14.2m by 2020/21.
- 6.12. The table below identifies the revised Resource and Expenditure Projections, reducing the funding gap by £3.334m from £21.162m to £17.828m

Table 4: Revised Resource and Expenditure Projections 2016-2021

	2016/17		2017/18		2018/19		2019/20		2020/21	
	28/10/2015	09/12/2015	14/10/2015	09/12/2015	14/10/2015	09/12/2015	14/10/2015	09/12/2015	14/10/2015	09/12/2015
	£	£	£	£	£	£	£	£	£	£
Resources	560,219,070	567,053,248	557,732,326	569,732,161	557,203,117	572,224,377	557,641,618	575,899,089	559,315,419	581,035,067
Expenditure	581,381,655	584,881,655	593,823,408	598,323,408	608,505,667	614,005,667	620,435,490	626,935,490	633,145,833	640,645,833
Funding Gap	<b>-21,162,586</b>	<b>-17,828,408</b>	-36,091,082	<b>-28,591,247</b>	-51,302,550	-41,781,290	-62,793,872	-51,036,402	<b>-73,830,414</b>	<b>-59,610,766</b>
Year on Year Saving			-14,928,497	<b>-10,762,839</b>	-15,211,468	<b>-13,190,043</b>	-11,491,322	<b>-9,255,111</b>	-11,036,541	<b>-8,574,365</b>
Reduction in Savings		3,334,178		7,499,835		9,521,260		11,757,471		14,219,647

- 6.13. The detailed Resource and Expenditure Projections are shown in Appendices 1 and 2 respectively.



## 7. 2016/17 Budget – Approach to Delivering a Balanced Budget

7.1. As described in the section above, the initial savings target for 2016/17 was £16.868m to which previous years' unachieved savings were added to give a target (under the old financial strategy approach) of £32.829m. Appendix 3 identifies the build-up of the required £32.829m by Directorate and also shows the associated savings proposals. Table 5 below provides a summary.

**Table 5: 2016/17 Savings required under 2014-17 Financial Strategy and Savings Proposals**

Directorate	2016/17 Initial Savings	2015/16 Unachievable Savings	Total Savings Required in 2016/17	Savings Proposals
	£	£	£	£
Adults	5,791	5,185	10,976	5,185
Children's	1,890	751	2,641	3,831
Commissioning	4,383	1,526	5,909	6,262
Public Health	32	27	59	620
Resources & Support	1,434	447	1,881	2,025
Corporate	3,338	8,025	11,363	5,128
	16,868	15,961	32,829	23,051

7.2. The latest resource and expenditure projections shown in Table 4 above identify a revised gap of £17.828m for 2016/17 (an increase from £16.868m). As noted, previous years savings not achieved from base of £15.961m must be added to the in-year savings target which means savings proposals of **£33.789m** are now required for 2016/17 after taking into account all the expenditure and resource changes.

7.3. Against the required savings target of **£33.789m**, the **£23.051m** of identified savings in Table 5 above can be applied which leaves a remaining gap of **£10.738m**. To meet this shortfall, **£1.382m** of ongoing resources have been identified (see paragraph 5.6) and **£9.804m** of one off resources as described in Table 2 above. This would leave a small contingency balance of £0.448m as shown in Table 6 below. A more detailed breakdown of savings proposals for 2016/17 and reconciliation to figures previously reported to Cabinet is provided at Appendix 3.

**Table 6: 2016/17 Revised Savings Targets and Proposals**

<b>Detail</b>	<b>£m</b>
In year Savings Target	17.828
2015/16 Unachievable savings	15.961
<b>Revised Savings Target for 2016/16</b>	<b>33.789</b>
Savings Proposals (Appendix 3)	-23.051
Base Budget Adjustment	-1.382
One Off Budget to balance	-9.804
Balance (Contingency)	-0.448

## 8. 2017/18 to 2020/21 – Longer Term Strategy

8.1. The current savings gap identified for future years is shown below:

**Table 7: Savings Gap 2017/18 to 2020/21**

	2016/17	2017/18	2018/19	2019/20	2020/21
Cumulative Savings Target	17.828	28.591	41.781	51.036	59.611
In year Savings Target		10.763	13.190	9.255	8.574

8.2. Work is currently being undertaken to identify savings against these targets for future years. The focus of this work, however, changes significantly under the Sustainable Business Model. Rather than considering savings targets as described in the table above, the SBM identifies available budget into the future, describes how it is likely to change and then fits service provision (along with its expected pressures and growth) within this long term funding envelope.

8.3. It has not been possible to produce a plan beyond 2016/17 in time for Cabinet on 9 December 2015. Instead work will continue with Portfolio Holders, Directors and Heads of Service and a proposed Special Cabinet in January 2016 will consider the future arrangements from 2017/18 onwards.

## 9. Developing a Sustainable Business Model

### Update of the model the from Previous Cabinet Report

- 9.1. Since Cabinet received the Financial Strategy on 28 October 2015, a number of amendments have been made to the previous Sustainable Business Model to take account of the following:
- Scrutiny consideration of the Cabinet report
  - Initial findings from the Big Conversation
  - Chancellors Spending Review announcement on 25 November
  - Further development of the model by Directors and Cabinet
- 9.2. Scrutiny review of the original Sustainable Business Model has identified concerns over the ability of the Council to deliver services within the modelled financial envelope. Across all Council functions the model requires significant services to be decommissioned to ensure those services retained can be delivered from sustainable sources of funding. Concerns have been raised, however, as to whether the level of resource available for Council Departments to deliver their statutory mandatory services is adequate.
- 9.3. Initial findings from the Big Conversation have been provided to officers. While this is a very early summary of work undertaken so far, there are a number of headline results that have been taken into account within this report:
- The three areas considered as the most important are Vulnerable Children, Education and Older People and Vulnerable Adults. Additionally almost two thirds of respondents agreed Shropshire Council should protect some services and cut others back. This provides some confirmation that the approach undertaken and also list of protected services (identified in Table 14 of Cabinet Report 28.10.15) appears to be in line with views of the general public.
  - Additionally, a small majority of respondents supported increases in fees and charges and Council Tax as a way to support service delivery.
- 9.4. The Chancellors Spending Review announcement on 25 November 2015 included the following areas that impact directly on the Sustainable Business Model:
- By the end of the Parliament local government will retain 100% of business rate revenues to fund local services
  - The system of top-ups and tariffs which redistributes revenues between local authorities will be retained.
  - The Uniform Business Rate will be abolished and any local area will be able to cut business rates as much as they like.

Comment: As no date or detail has yet been provided this cannot be modelled for Shropshire Council at this stage.

- The apprenticeship levy on larger employers announced in the Summer Budget will be introduced in April 2017. It will be set at a rate of 0.5% of an employer's paybill. Each employer will receive an allowance of £15,000 to offset against their levy payment.

Comment: The estimated impact of this announcement on Shropshire Council is £0.5m additional cost.

- A social care council tax 'precept' of 2% will allow councils responsible for delivering adult social care to raise up to £2 billion a year by 2019-20. Local authorities will be given this additional 2% flexibility on their current council tax referendum threshold to be used entirely for adult social care.

Comment: For Shropshire Council, this amendment if implemented would deliver additional resources of approximately £2.4m in 2016/17, ringfenced to Adult Services.

9.5. Further development and refinement of the Sustainable Business Model has identified the following key changes which have been included in this update:

- Changes to National Insurance contributions for employers are estimated to increase staffing costs by approximately £2m from 2016.
- Changes to the Living Wage for Council staff and for contractors, is initially estimated to cost approximately £1m from 2016/17 and is projected to grow by £1m per annum to 2020.
- Introduction of the apprenticeship levy mentioned above is estimated to cost £0.5m.
- The option to precept 2% for social care would increase resources by approximately £2.4m per annum.
- An increase in general Council Tax of 1.99% from 1 April 2016 would supplement this income by a further £2.4m per annum.

9.6. Portfolio Holders and Directors have undertaken a series of 'Star Chamber' type events to review savings proposals and options for delivery in the future. The impact of these reviews on the model has been a requirement to reduce the impact of efficiency savings on Adult Services which are not considered to be deliverable. This would need to be modelled alongside an increase in

Council Tax and the raising of a 2% precept with the potential for the majority of additional funds generated being passported directly to Adult Services.

### Options Appraisal

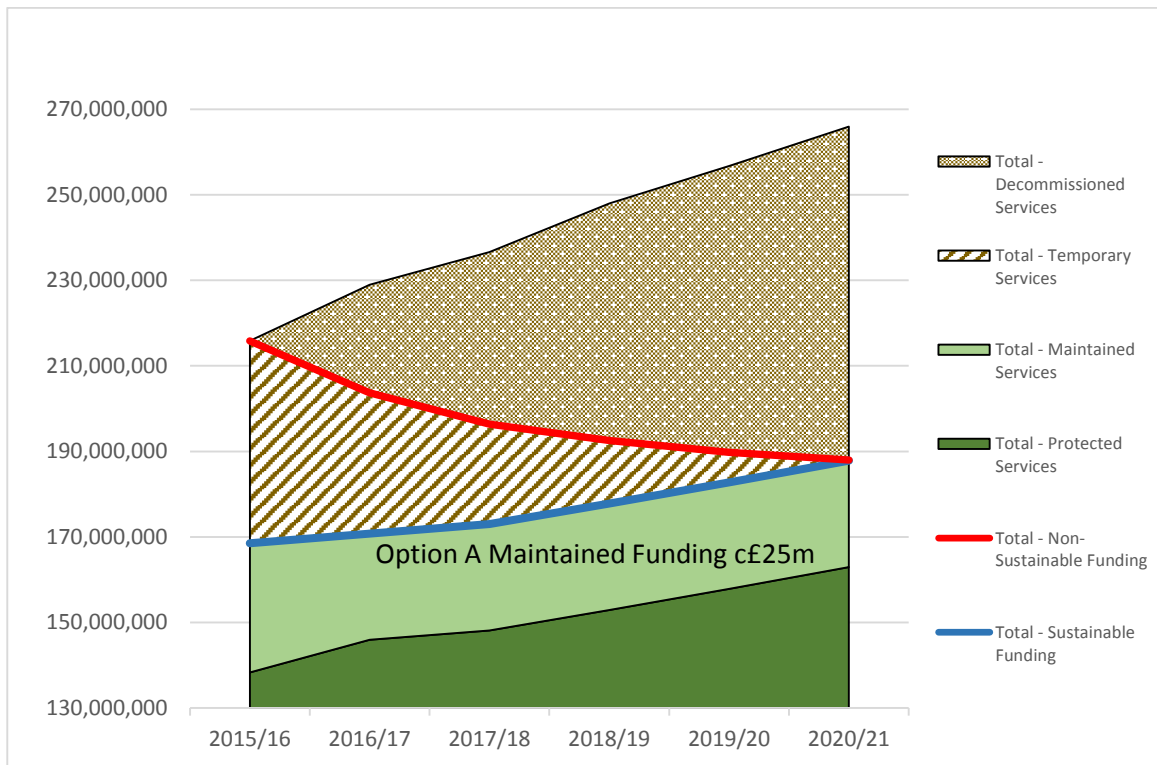
- 9.7. As a consequence of the issues set out, options have been considered in addition to those taken forward in the report to Cabinet 28 October 2015. Consequently, a further option is set out as Option C below, alongside the existing two options taken forward in the previous Cabinet report.
- 9.8. Option A – This option assumes an increase in Council Tax of 1.99% from 1 April 2018.
- 9.9. Option B – This is similar to Option A, but instead a Council Tax increase is modelled from 1 April 2016, rather than 1 April 2018.
- 9.10. Option C – This option assumes a 1.99% increase in Council Tax from 1 April 2016. In addition it is assumed that there will be a precept of 2%, in addition to a general increase, ringfenced to Adult Services.
- 9.11. The impacts of Options A and B have been modelled in the report to Cabinet of 28 October and have not been replicated here. Equivalent information for Option C is provided below (including the impacts of increased costs as set out in paragraph 8.5).

**Table 8: Funding by Category 2015/16 to 2020/21, Option C**

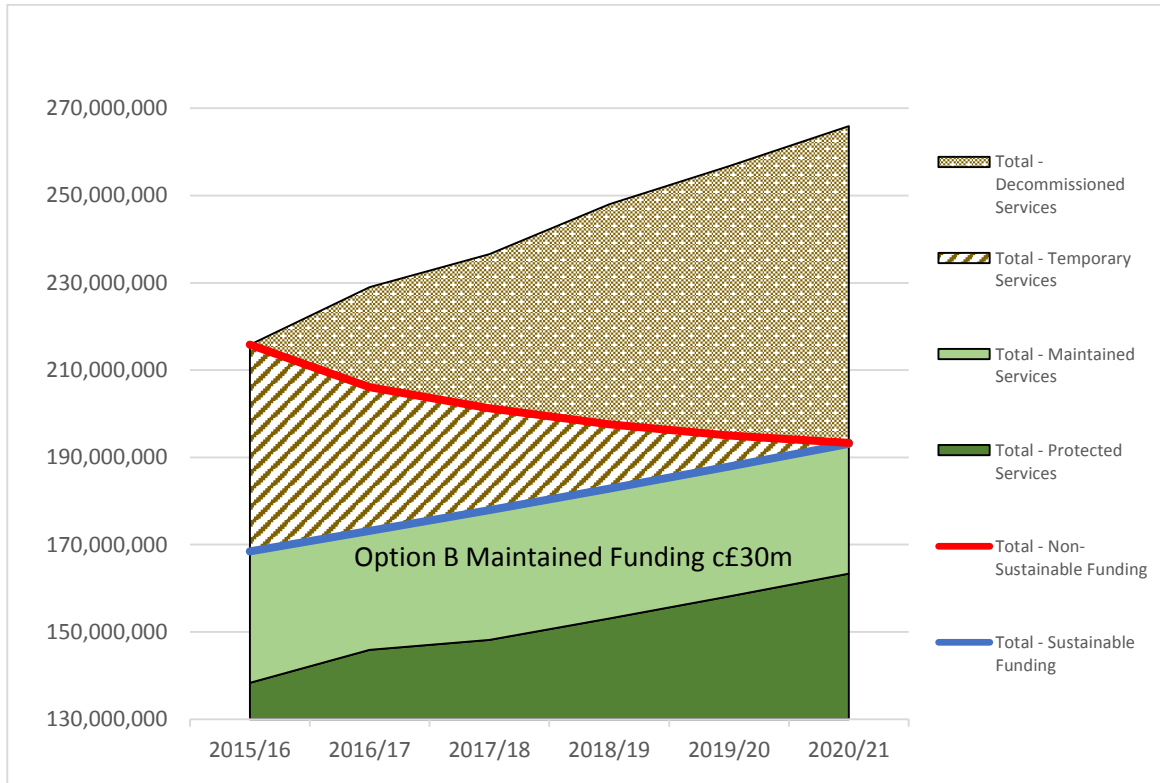
Spending:	2015/16 (£)	2016/17 (£)	2017/18 (£)	2018/19 (£)	2019/20 (£)	2020/21 (£)
Total - Protected Services	138,384,010	152,297,970	159,454,538	167,002,550	174,906,360	183,170,491
Total - Maintained Services	30,099,051	25,277,160	25,586,847	25,835,688	26,075,946	26,317,963
Total - Temporary Services	47,359,499	30,851,604	23,317,528	14,731,330	7,059,713	190,613
Total - Decommissioned Services	0	24,064,724	32,743,228	45,933,271	55,188,383	63,762,748
Total (including Decommissioned Services)	215,842,560	232,491,459	241,102,142	253,502,838	263,230,401	273,441,815
Funding:						
Total - Sustainable Funding	168,483,061	177,575,130	185,041,385	192,838,238	200,982,306	209,488,454
Total - Non-Sustainable Funding	47,359,499	30,851,604	23,317,528	14,731,330	7,059,713	190,613
Total Funding	215,842,560	208,426,734	208,358,913	207,569,567	208,042,019	209,679,067

9.12. Overall, the impact of increased costs has increased the total expenditure figure from £266m to £273m by 2020/21. For resources, Option C increases sustainable funding from £183m for Option A or £193m for Option B to £210m by 2020/21. The implications of Options A, B and C are shown graphically below.

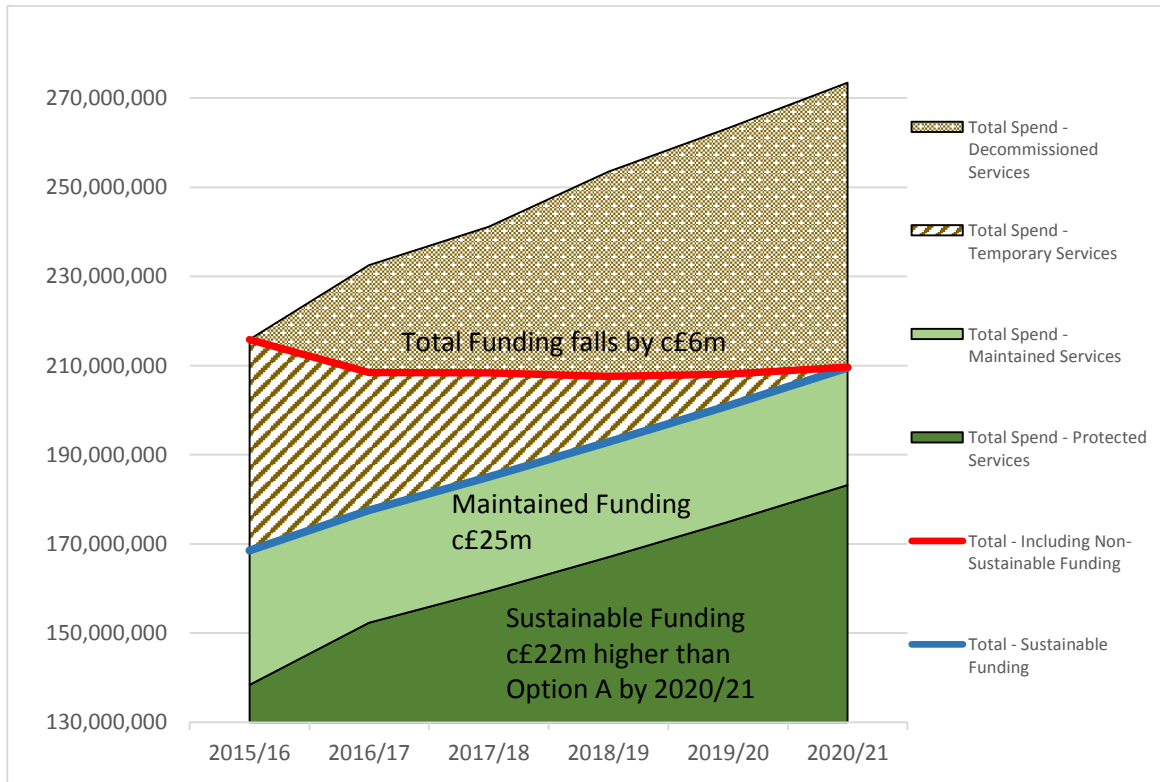
**Chart 1: Option A, Funding by Category 2015/16 to 2020/21**



**Chart 2: Option B, Funding by Category 2015/16 to 2020/21**



**Chart 3: Option C, Funding by Category 2015/16 to 2020/21**



9.13. As demonstrated in the Table and Charts above, if the Council were able to continue to deliver services at their current levels, the costs of these services would grow into the future as a result of pay and contract inflation, demographic growth and other pressures. The result on the Council's net budget would be to increase it from the current £216m to over £273m by 2020/21 (after amendments). This is set out on a directorate basis in Table 9 below.

**Table 9: Growth in Directorate Budgets with no financial constraints. This is unsustainable.**

Net Budget (no Cap) - Split of Directorates	2015/16 (£)	2016/17 (£)	2017/18 (£)	2018/19 (£)	2019/20 (£)	2020/21 (£)
Adults	69,081,951	76,674,263	81,557,446	86,807,733	92,433,680	98,463,858
Children's L&S	18,048,400	18,855,741	19,213,932	19,578,420	19,949,321	20,322,195
Children's Safeguarding	27,804,600	28,546,271	28,916,767	29,342,436	29,772,826	30,209,052
Commissioning	64,001,910	67,705,218	69,331,931	74,316,363	76,237,110	78,225,870
Public Health	1,834,560	1,852,906	1,871,435	1,890,149	1,909,050	1,928,141
Resources & Support	35,071,139	38,857,060	40,210,630	41,567,737	42,928,414	44,292,698
<b>Total</b>	<b>215,842,560</b>	<b>232,491,459</b>	<b>241,102,142</b>	<b>253,502,838</b>	<b>263,230,401</b>	<b>273,441,815</b>

9.14. It is only when these budgets are revised under Options A, B or C of the Sustainable Business Model, and recalculated, that the impact at a directorate level can be seen. Further work is being undertaken to model this approach and this will be reported to Cabinet at a Special Cabinet Meeting in January 2016.

## 10. The Big Conversation

10.1. The Big Conversation was described in the 28 October Cabinet Report and was formally launched on the same date. An online survey was launched on the 17th November 2015 and within a week 986 people had taken part. Initial findings from the Big Conversation have been provided to officers. While this is a very early summary of work undertaken so far, there are a number of headline results that have been taken into account within this report.

10.2. The three areas perceived by respondents as the most important were Vulnerable Children, Education and Older People and Vulnerable Adults. The services of lowest importance were Registrars, Safety and areas described



as Running the Council. The response provides some confirmation that the list of protected services (identified in Table 14 of Cabinet Report 28.10.15) appears to be in line with views of the general public.

- 10.3. Almost two thirds of respondents agreed Shropshire Council should protect some services and cut others back. This suggests agreement with a general approach of prioritising services, rather than simply ‘salami slicing’ all services. The response provides some confirmation that the approach undertaken by the Sustainable Business Model is in line with general public thinking.
- 10.4. Additionally, a small majority of respondents (58%) supported increases in fees and charges so that costs of services are largely paid for by the direct user and 51% supported an increase in Council Tax as a way to support service delivery.
- 10.5. The survey also began to explore the level of volunteering and activity within Shropshire communities, finding that almost three fifths of respondents agreed that Shropshire council should make more use of local residents and volunteers to deliver services. Additionally, 71% of respondents felt communities should be enabled to do more for themselves.
- 10.6. The Big Conversation will continue over the coming weeks and months and initial survey work will be followed up by workshops and focus groups to deliver a more robust analysis of the views of Shropshire residents, to feed into the Council’s Business Planning and Financial Strategy processes.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Financial Strategy 2015/16 – 2020/21 – Cabinet 28<sup>th</sup> October 2015

**Cabinet Member (Portfolio Holder)**

David Turner

**Local Member**

All

**Appendices**

Appendix 1 – Resource Projections

Appendix 2 – Expenditure Projections

Appendix 3 – Revised Savings Proposals

Appendix 1

SHROPSHIRE COUNCIL - NET AND GROSS RESOURCES PROJECTIONS SUMMARY 2016/17 to 2020/21

APPENDIX 1

	2015/16	2016/17	2016/17	2015/16 & Beyond Notes & Assumptions	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21
	Final £ Council 26 February 2015	Revised £ Cabinet 28 October 2015	Revised £ Cabinet 9 December 15		Revised £ Cabinet 28 October 2015	Revised £ Cabinet 9 December 15	£ Cabinet 28 October 2015	£ Cabinet 9 December 15	£ Cabinet 28 October 2015	£ Cabinet 9 December 15	£ Cabinet 28 October 2015	£ Cabinet 9 December 15
<b>RSG</b>	43,760,146	32,945,604	32,945,604	2015/16 Final Settlement as announced by Government on 3 February 2015. Projections for future years based on estimated reductions of 12% on Assumed Funding Assessment which translates to 26% reduction in RSG in 2016/17 if the transfer of Oax Freeze Grant is excluded.	23,317,528	23,317,528	14,731,330	14,731,330	7,059,713	7,059,713	190,613	190,613
<b>Business Rates Retention Allocation:</b>												
NNDR (as raised and then retained locally) including appeals provision	39,166,165	40,269,094	40,269,094	NNDR1 2015-16 figure. Growth going forward of 0.8% and Multiplier increase of 2%	41,403,062	41,403,062	42,568,972	42,568,972	43,767,714	43,767,714	45,000,213	45,000,213
Top Up	10,036,372	10,237,099	10,237,099	Figure as per CLG 2015/16 Final Local Government Finance Settlement. Assume 2% RPI increase	10,441,841	10,441,841	10,650,678	10,650,678	10,863,692	10,863,692	11,080,966	11,080,966
Safety Net Payments												
Prior year adjustments (e.g. correction to safety net payments)												
<b>TOTAL START UP FUNDING RECEIPT:</b>	<b>92,962,683</b>	<b>83,451,788</b>	<b>83,451,788</b>		<b>75,162,431</b>	<b>75,162,431</b>	<b>67,950,980</b>	<b>67,950,980</b>	<b>61,691,119</b>	<b>61,691,119</b>	<b>56,271,792</b>	<b>56,271,792</b>
Return of amounts topped from RSG/BRRRA Allocation												
Share of £2bn unused New Homes Bonus topslice	394,940	0	0	Final Local Government Finance Settlement								
Share of returned damping (unused safety net held back)				This may be an in year bonus. More information required								
<b>TOTAL FUNDING FROM CENTRAL/LOCAL SHARE</b>	<b>93,357,623</b>	<b>83,451,788</b>	<b>83,451,788</b>		<b>75,162,431</b>	<b>75,162,431</b>	<b>67,950,980</b>	<b>67,950,980</b>	<b>61,691,119</b>	<b>61,691,119</b>	<b>56,271,792</b>	<b>56,271,792</b>
Movement on previous year's funding												
Taxbase	102,411	103,231	104,912	Actual taxbase for 2014/15 and 2015/16. Increase in Council Tax Taxbase assumed for 2016/17 and future years increased to 0.5% from 0.8%	104,056	105,752	104,889	106,598	105,728	107,451	106,574	108,310
<b>Council Tax Income</b>	<b>119,280,524</b>	<b>120,234,768</b>	<b>127,068,947</b>	Council tax freeze to 2017/18, then 1.99% increase assumed	<b>121,196,647</b>	<b>133,196,482</b>	124,597,328	139,618,587	128,093,429	146,350,900	131,687,628	153,407,275
Collection Fund Surplus- Council Tax	4,138,464	500,000	500,000	Based on Previous years	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Business Rates Collection fund	(934,051)	(2,594,000)	(2,594,000)	Based on previous years	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
<b>TOTAL NET RESOURCES -2014-15 onwards</b>	<b>215,842,560</b>	<b>201,592,556</b>	<b>208,426,734</b>		<b>196,359,078</b>	<b>208,358,913</b>	<b>192,548,307</b>	<b>207,569,567</b>	<b>189,784,548</b>	<b>208,042,019</b>	<b>187,959,420</b>	<b>209,679,067</b>
Difference from last Strategy		1,460,761			2,957,232	11,999,835						21,719,647
Difference from SBM		(2,094,000)			7		(12,208)		(25,109)		(38,723)	

	2015/16	2016/17	2016/17	2014/15 Notes & Assumptions	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21
	Revised Council 26 February 2015	Revised £ Cabinet 14 October 2015	Revised £ Cabinet 9 December 15		Revised £ Cabinet 28 October 2015	Revised £ Cabinet 9 December 15	£ Cabinet 28 October 2015	£ Cabinet 9 December 15	£ Cabinet 28 October 2015	£ Cabinet 9 December 15	£ Cabinet 28 October 2015	£ Cabinet 9 December 15
<b>GOVERNMENT GRANTS</b>	253,747,100	253,005,810	253,005,810	Latest Information on Specific Grants	252,726,720	252,726,720	252,726,720	252,726,720	252,726,720	252,726,720	252,726,720	252,726,720
<b>OTHER GRANTS &amp; CONTRIBUTIONS</b>	32,225,880	26,511,470	26,511,470	Revised in line with Growth projections	26,511,470	26,511,470	26,511,470	26,511,470	26,511,470	26,511,470	26,511,470	26,511,470
<b>FEES &amp; CHARGES</b>	56,100,805	60,646,769	60,646,769	Revised for 2015/16 then left unchanged	63,672,593	63,672,593	66,954,155	66,954,155	70,156,415	70,156,415	73,655,345	73,655,345
<b>INTERNAL MARKET &amp; INTERNAL RECHARGES</b>												
Internal Recharges only	18,462,465	18,462,465	18,462,465	Revised for 2015/16 then left unchanged	18,462,465	18,462,465	18,462,465	18,462,465	18,462,465	18,462,465	18,462,465	18,462,465
Total Income outside of Net	360,536,250	358,626,514	358,626,514		361,373,248	361,373,248	364,654,810	364,654,810	367,857,070	367,857,070	371,356,000	371,356,000
<b>TOTAL GROSS RESOURCES - 2013-14 onwards, after income Savings</b>	<b>576,378,810</b>	<b>560,219,070</b>	<b>567,053,248</b>		<b>557,732,326</b>	<b>569,732,161</b>	<b>557,203,117</b>	<b>572,224,377</b>	<b>557,641,618</b>	<b>575,899,089</b>	<b>559,315,419</b>	<b>581,035,067</b>
		6,743,844	6,834,178			11,999,835		15,021,260		18,257,471		21,719,647

Appendix 2

SHROPSHIRE COUNCIL - FINANCIAL SUMMARY 2015/16 to 2017/18											APPENDIX 2
	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21
	26 Feb 2015	28 October 2015	09 December 2015	28 October 2015	09 December 2015	28 October 2015	09 December 2015	28 October 2015	09 December 2015	28 October 2015	09 December 2015
	£	£	£	£	£	£	£	£	£	£	£
<b>Expenditure</b>											
<b>Original Gross Budget Requirement</b>	561,250,666	576,378,810	576,378,810	581,381,655	584,881,655	593,823,408	598,323,408	608,505,667	614,005,667	620,435,490	626,935,490
<b>Monitoring Issues identified in 2014/15 with ongoing implications</b>											
- Asset Sales - Removal of income stream	50,000										
<b>Inflation - Estimated</b>											
- Prices	2,796,947	5,006,995	5,006,995	2,806,350	2,806,350	6,344,415	6,344,415	3,109,939	3,109,939	3,362,903	3,362,903
- Pay 1% award	710,957	1,991,292	1,991,292	1,597,392	1,597,392	1,613,332	1,613,332	1,367,738	1,367,738	1,488,652	1,488,652
- Pay Increment	872,769	included above	included above								
- Pension Costs - see NHB below and Savings											
- Auto Enrolment (impacts 2017/18)-To Be Estimated											
- NI Changes			2,000,000								
- Apprenticeships			500,000								
- Minimum Wage impact			1,000,000		1,000,000		1,000,000		1,000,000		1000000
<b>Committed Growth</b>											
- Debt Charges (Reduced as part of Savings)	1,000,000	1,000,000	1,000,000								
<b>New Growth</b>											
- Demography for Adults and Children		10,696,575	10,696,575	6,232,765	6,232,765	6,724,512	6,724,512	7,452,146	7,452,146	7,858,788	7,858,788
- Demography: Adults	1,758,000										
- Demography: Childrens services	1,183,000										
New Service Pressures											
New Investment funding- One year only	(2,000,000)										
Repaying for borrowing for Redundancies											
Care Act implications											
<b>Changes to Expenditure Reflected in Resources</b>											
Specific Grant Changes from Previous Year Including New Responsibilities	6,277,870	(6,455,700)	(6,455,700)	(279,090)	(279,090)						
Income Changes											
Benefits (assume at same level as reduction in Resources)											
Change in Clax Tax base and NNDR allocated to demographic growth	3,194,709	8,350	8,350	8,392	8,392						
Council tax freeze Grant rolled in to base funding (see Above change in specific grants)	1,307,360	-1,307,360	-1,307,360								
Use of NHB Smoothing - see Pension Costs above	(1,609,000)	715,000	715,000								
Spare Pension budget used to offset unachievable savings		876,000	876,000								
Reallocation of Business Rates Appeals Base Budget	(2,277,816)										
Additional Contribution to offset Delay in Savings Achievement	2,277,816										
The adjustment below allow one off Resources to be included in the base in one year and removed in the following year. Use of one off resources in 2015/16 was detailed in the 26 February 2015 Council Report.											
<b>Contributions to Savings for changes in Projections</b>											
- Net Growth Change	2,167,600	(3,749,700)	(3,749,700)								
- Net Resources Change -14/15 one year only	(2,454,351)										
- Net Resources Change -15/16 one year only	(170,339)	170,339	170,339								
Surplus Settlement funding - one off	1,000,841	(1,086,048)	(1,086,048)	(1,704)	(1,704)						
Surplus Collection fund - One off, allocation below	3,204,413	(3,204,413)	(3,204,413)								
Allocate to keep gap at £80m	(478,928)	284,425	284,425	194,503	194,503						
Adjustment to Resource Projection - RSG, 2015/16 only		2,151,090	2,151,090	(210,855)	(210,855)						
Adjustment to Business rates Collection Fund		(2,094,000)	(2,094,000)	2,094,000	2,094,000						
<b>Gross Budget Requirement (Including Internal Recharges) Before Savings</b>	580,062,514	581,381,655	584,881,655	593,823,408	598,323,408	608,505,667	614,005,667	620,435,490	626,935,490	633,145,833	640,645,833
Changes in Gross in 2014/15	16,452,665										
2015/16 Savings from Base Budget	-20,136,369										
<b>Gross Budget Requirement (Excluding Internal Market)</b>	576,378,810	581,381,655	584,881,655	593,823,408	598,323,408	608,505,667	614,005,667	620,435,490	626,935,490	633,145,833	640,645,833
			3,500,000		4,500,000		5,500,000		6,500,000		7,500,000

## Appendix 3

## Summary – 2016/17 Revised Savings Proposals

SBM Proposed 2016/17 Saving (£'000)	Directorate	Existing Business Plan 2016/17 Saving	2015/16 Slipped in Feb 2015	2015/16 Not Achievable Monitoring 2015/16 P5	2015/16 Not Achievable Monitoring 2015/16 P6	Total Required under Existing 2014-17 Strategy	Increase/ (Decrease) on Business Plan and Slipped
3,831	Children's Services	1,890	751	0	0	2,641	1,190
5,185	Adult Services	5,791	0	2,500	2,685	10,976	(5,791)
6,262	Commissioning Services	4,383	310	641	575	5,909	353
620	Public Health	32	0	27	0	59	561
2,025	Resources and Support	1,434	146	301	0	1,881	143
5,128	Corporate	3,338	0	559	0	3,897	1,231
<b>23,051</b>	<b>Total Revised Savings</b>	<b>16,868</b>	<b>1,207</b>	<b>4,028</b>	<b>3,260</b>	<b>25,363</b>	<b>(2,313)</b>
1,382	Budget Virement (Base Budget Saving to Adult Services)						
9,804	One-Off Resources Used as Savings						
<b>34,237</b>	<b>Total Saving Proposals</b>						
<b>33,789</b>	<b>Funding Gap (Updated 9.12.15) (see paragraph 7.2)</b>						
448	Contingency						

**Children's Services – 2016/17 Revised Savings Proposals**

<b>SBM Proposed 2016/17 Saving</b>	<b>Redesign Piece</b>	<b>Business Plan Heading</b>	<b>Existing Business Plan 2016/17 Saving</b>	<b>2015/16 Slipped in Feb 2015</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P5</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P6</b>	<b>Total Required under Existing 2014-17 Strategy</b>	<b>Increase/ (Decrease) on Business Plan and Slipped</b>
650	Outcomes for Customers	Redesign and transfer of Education Support Services to ip&e (Inspire to Learn) and secure commissioning arrangements and retained team						650
0	Outcomes for Customers	Redesign Education Improvement Team to carry out statutory responsibilities to meet the support and challenge requirements of Education	101	175			276	(276)
1,210	Outcomes for Customers	Redesign early support and assist provision	-	105			105	1,105
1,321	Zero Based Budgets & Business Planning	Review current residential provision and increase assessment capacity. Review mix of provision. Review practice of assessing children's ongoing need to be Looked After. Closure of Children's homes. Expansion of local provision, wider range of provision at a local level for 16/17 year old care leavers. Block contract - renegotiate contract, unit cost and numbers of residential provision for Looked After Children	1,589	385			1,974	(653)

<b>SBM Proposed 2016/17 Saving</b>	<b>Redesign Piece</b>	<b>Business Plan Heading</b>	<b>Existing Business Plan 2016/17 Saving</b>	<b>2015/16 Slipped in Feb 2015</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P5</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P6</b>	<b>Total Required under Existing 2014-17 Strategy</b>	<b>Increase / (Decrease) on Business Plan and Slipped</b>
650	Outcomes for Customers	Analyse Children's back office processes: administration; use of IT; impact of rurality.	200	86			286	364
<b>3,831</b>		<b>TOTAL</b>	<b>1,890</b>	<b>751</b>	-	-	<b>2,641</b>	<b>1,190</b>

**Adult Services – 2016/17 Revised Savings Proposals**

SBM Proposed 2016/17 Saving (£'000)	Redesign Piece	Business Plan Heading	Existing Business Plan 2016/17 Saving (£'000)	2015/16 Slipped in Feb 2015	2015/16 Slipped Monitoring 2015/16 P5	2015/16 Slipped Monitoring 2015/16 P6	Total Required under Existing 2014-17 Strategy	Increase / (Decrease) on Business Plan (£'000)
-		Adult Purchasing - CHC - Process & Challenge	100				100	(100)
-		Adult Purchasing - CHC - Review of Current Cases	100				100	(100)
-		Adult Purchasing - Telecare Review - Manage Demand	23				23	(23)
-		Adults Purchasing - Promote Non Council Funded Adaptations	12				12	(12)
-		Adults Purchasing - Redesign of Social Care Offer	4,780				4,780	(4,780)
-		Adults Purchasing - Redesign of Social Care Offer - Stretch Target	295				295	(295)
-		Adults Purchasing - Roll Out of P2P	482				482	(482)
-		Adults Purchasing - CHC - Review of Nursing Care Packages			2,192		2,192	(2,192)
-		Adults Purchasing - Review and Recommission all VCS agreements and contract			170		170	(170)
-		Adults Purchasing - Review and renegotiate all QPA awards for Care Home			138		138	(138)
-		Adults Increased Income - Increased Income from Client Property & Appointeeships				20	20	(20)
-		Adults Purchasing - Roll Out of P2P				328	328	(328)
-		Adults Purchasing - ICS Reduction in Intermediate Spend				75	75	(75)
-		Adults Purchasing - Telecare Review - Manage Demand				11	11	(11)
-		Adults Purchasing - Promotion of Non Council Funded Adaptations				6	6	(6)

SBM Proposed 2016/17 Saving (£'000)	Redesign Piece	Business Plan Heading	Existing Business Plan 2016/17 Saving (£'000)	2015/16 Slipped in Feb 2015	2015/16 Slipped Monitoring 2015/16 P5	2015/16 Slipped Monitoring 2015/16 P6	Total Required under Existing 2014-17 Strategy	Increase/ (Decrease) on Business Plan (£'000)
-		Adults - Securing External Funding RE Care Act - Redesign the Social Care Offer				2,009	2,009	(2,009)
-		Adults Staffing - Redesign EDT Team				49	49	(49)
-		Adults PFI Savings - QUICS PFI Savings				187	187	(187)
2,009	Outcomes for Customers	Adults - Securing External Funding RE Care Act - This was shown Red and slipped to 2016-17 in P6 as it has only been agreed on a one year basis - assuming from communication that there is potential to receive this again next year, but no confirmation of this.						2,009
23	Renegotiate Contracts	Adults Purchasing - Reduced package costs at Derwen - Achievable 2015-16					-	23
158	Renegotiate Contracts	Adults Purchasing - Ordinary Residence Savings with Manchester and East Sussex - Achievable 2015-16					-	158
900	Renegotiate Contracts	Adults Purchasing - Moving 75 Residence from Residential Care to Supported Living					-	900
240	Zero Based Budgets and Business Planning	Adults Purchasing - High Cost Dom Care Packages OP - Potential for £120k in 2015-16. Unpalatable Saving					-	240
206	Zero Based Budgets and Business Planning	Adults Purchasing - High Cost Dom Care Packages PD- Unpalatable Saving					-	206
229	Zero Based Budgets and Business Planning	Adults Purchasing - High Cost Dom Care Packages LD - Unpalatable Saving					-	229



<b>SBM Proposed 2016/17 Saving (£'000)</b>	<b>Redesign Piece</b>	<b>Business Plan Heading</b>	<b>Existing Business Plan 2016/17 Saving (£'000)</b>	<b>2015/16 Slipped in Feb 2015</b>	<b>2015/16 Slipped Monitoring 2015/16 P5</b>	<b>2015/16 Slipped Monitoring 2015/16 P6</b>	<b>Total Required under Existing 2014-17 Strategy</b>	<b>Increase/ (Decrease) on Business Plan (£'000)</b>
500	Renegotiate Contracts	Adults Purchasing - Enforce Framework Rates for Dom Care and ISF's - Potential for £200k in 2015-16					-	500
397	Renegotiate Contracts	Adults Purchasing - Framework for Residential and Nursing Care					-	397
25	Renegotiate Contracts	Adults Purchasing - Commissioning savings on Tender Envelopes					-	25
50	Outcomes for Customers	Adults - Day Services - Working in Partnership with Providers to deliver efficiencies where possible.					-	50
63	Renegotiate Contracts	Adults Substance Misuse - Contribution no longer required as a result of Commissioning Savings					-	63
49	Outcomes for Customers	Adults Staffing - EDT Savings achieved on an ongoing basis					-	49
337	Outcomes for Customers	Adults - Savings Strategy still to be developed					-	337
<b>5,185</b>		<b>TOTAL</b>	<b>5,791</b>	<b>-</b>	<b>2,500</b>	<b>2,685</b>	<b>10,976</b>	<b>(5,791)</b>

**Commissioning – 2016/17 Revised Savings Proposals**

<b>SBM Proposed 2016/17 Saving</b>	<b>Redesign Piece</b>	<b>Business Plan Heading</b>	<b>Existing Business Plan 2016/17 Saving</b>	<b>2015/16 Slipped in Feb 2015</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P5</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P6</b>	<b>Total Required under Existing 2014-17 Strategy</b>	<b>Increase/ (Decrease) on Business Plan and Not Achievable</b>
250	Outcomes for Customers	Review of waste collection model, leading to increased recycling and improved service delivery	240				240	10
500	Trade for Public Profit	Create commercial activity within the wider Regulatory and Business Support Services model	350				350	150
979	Renegotiate Contracts	Review and renegotiate contracts across Commissioning Directorate with a view to redesigning or reducing demand to meet lower cost allowances	1,960		410	500	2,870	(1,891)
300	Outcomes for Customers	Redesign of Planning Policy that will lead to an aligned offer alongside other redesigned areas	100				100	200
237	Outcomes for Customers	Redesign of the Outdoor Recreation Service that will lead to locally led approaches with a focus on physical activity	194	1			195	42
0	Trade for Public Profit	Negotiation of commercial rental and lease for Ludlow anaerobic digestion plant	30				30	(30)
99	Outcomes for Customers	Redesign of Business and Enterprise function that will lead to an end to end offer for the business community	36				36	63
246	Outcomes for Customers	Redesign of a new Visitor Economy model including museum services and visitor attractions	173	39			212	34

<b>SBM Proposed 2016/17 Saving</b>	<b>Redesign Piece</b>	<b>Business Plan Heading</b>	<b>Existing Business Plan 2016/17 Saving</b>	<b>2015/16 Slipped in Feb 2015</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P5</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P6</b>	<b>Total Required under Existing 2014-17 Strategy</b>	<b>Increase / (Decrease) on Business Plan and Not Achievable</b>
97	Outcomes for Customers	Modernisation of processes and creation of efficiencies within Theatre Services	0				0	97
51	Outcomes for Customers	Maximising income and efficiencies at workshops and employment land	73				73	(22)
46	Outcomes for Customers	Review of joint use Leisure Facilities to identify how they are best delivered on a local basis	114				114	(68)
128	Outcomes for Customers	Continued redesign across Positive Activities and Arts Development in line with the wider commissioning model	95		46		141	(13)
45	Outcomes for Customers	Further efficiencies within the Community Enablement Team (CET)	50				50	(5)
585	Outcomes for Customers	Redesign the Libraries service, identifying alternative delivery models on a local basis and creating community hubs in market towns	368	180			548	37
1,697	Outcomes for Customers	Redesign Environmental Maintenance function, increasing income generation where possible	70		161		231	1,466
635	Outcomes for Customers	Redesign of Highways and Transport function, reviewing provision of car parking and transport solutions	530				530	105

<b>SBM Proposed 2016/17 Saving</b>	<b>Redesign Piece</b>	<b>Business Plan Heading</b>	<b>Existing Business Plan 2016/17 Saving</b>	<b>2015/16 Slipped in Feb 2015</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P5</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P6</b>	<b>Total Required under Existing 2014-17 Strategy</b>	<b>Increase / (Decrease) on Business Plan and Not Achievable</b>
367	A Workforce the Fits	Appropriately re-size the workforce to ensure an efficient and customer focussed organisation. Voluntary Redundancy proposals within Commissioning Directorate	0		24	75	99	268
0	Stop Waste	Efficiency savings across the Directorate	0	90			90	(90)
<b>6,262</b>		<b>TOTAL</b>	<b>4,383</b>	<b>310</b>	<b>641</b>	<b>575</b>	<b>5,909</b>	<b>353</b>

**Public Health – 2016/17 Revised Savings Proposals**

SBM Proposed 2016/17 Saving (£'000)	Redesign Piece	Business Plan Heading	Existing Business Plan 2016/17 Saving (£'000)	2015/16 Slipped in Feb 2015	2015/16 Slipped Monitoring 2015/16 P5	2015/16 Slipped Monitoring 2015/16 P6	Total Required under Existing 2014-17 Strategy	Increase / (Decrease) on Business Plan (£'000)
25	Zero Based Budgets and Business Planning	Reduction in Coroners Expenditure	16				16	9
20	Zero Based Budgets and Business Planning	Reduction in Registrar Expenditure and Increased Income Generation	16				16	4
-	Outcomes for Customers	Redesign CCTV Monitoring Service			27		27	- 27
40	Zero Based Budgets and Business Planning	Reduction in Emergency Planning Expenditure	-					40
50	Zero Based Budgets and Business Planning	Reduction in Targetted Mental Health in Schools Expenditure	-					50
20	Zero Based Budgets and Business Planning	Reduction in Shropshire Partnership Expenditure	-					20
90	A workforce that fits	Senior Management Salary Savings	-					90
25	A workforce that fits	General Staff Turnover replaced by Utilisation of Funded Work Experience Placements	-					25
198	Renegotiate Contracts	Help2Change Commissioning Savings - Expanding Income Generating Opportunities	-					198
10	Zero Based Budgets and Business Planning	Reduction in Training Budgets	-					10
16	Zero Based Budgets and Business Planning	Reduction in General Office Costs	-					16
10	Renegotiate Contracts	Reduction in Mental Health Contract with Chester University	-					10

<b>SBM Proposed 2016/17 Saving (£'000)</b>	<b>Redesign Piece</b>	<b>Business Plan Heading</b>	<b>Existing Business Plan 2016/17 Saving (£'000)</b>	<b>2015/16 Slipped in Feb 2015</b>	<b>2015/16 Slipped Monitoring 2015/16 P5</b>	<b>2015/16 Slipped Monitoring 2015/16 P6</b>	<b>Total Required under Existing 2014-17 Strategy</b>	<b>Increase / (Decrease) on Business Plan (£'000)</b>
9	Zero Based Budgets and Business Planning	Reduction in Chlamydia Screen Budget - T&W Contract	-					9
3	Zero Based Budgets and Business Planning	Reduction in EHC Pharmacy Payments Budget	-					3
9	Renegotiate Contracts	Reduction in Health Intelligence Contract with Shrewsbury Hospital Library -	-					9
16	Renegotiate Contracts	Removal of Illy IT Budget - Substance Misuse	-					16
80	Renegotiate Contracts	Detoxification Beds - Revised Contract	-					80
<b>620</b>		<b>TOTAL</b>	<b>32</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>59</b>	<b>561</b>

**Resources & Support – 2016/17 Revised Savings Proposals**

SBM Proposed 2016/17 Saving	Redesign Piece	Business Plan Heading	Existing Business Plan 2016/17 Saving	2015/16 Slipped in Feb 2015	2015/16 Not Achievable Monitoring 2015/16 P5	2015/16 Not Achievable Monitoring 2015/16 P6	Total Required under Existing 2014-17 Strategy	Increase / (Decrease) on Business Plan and Slipped
-	Zero Based Budgets and Business Planning	Redesign services, for example, Business Design, Digital Services, Customer Services, Business Support, Print Services, Programme Management		30			30	(30)
	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop		116			116	(116)
	Stop Waste	Rationalise spend in ICT. Ensure that all systems are used to best advantage of the business			62		62	(62)
	Stop Waste	Rationalise spend in ICT. Ensure that all systems are used to best advantage of the business			90		90	(90)
	Stop Waste	Rationalise spend in ICT. Ensure that all systems are used to best advantage of the business			100		100	(100)
	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop			49		49	(49)

SBM Proposed 2016/17 Saving	Redesign Piece	Business Plan Heading	Existing Business Plan 2016/17 Saving	2015/16 Slipped in Feb 2015	2015/16 Not Achievable Monitoring 2015/16 P5	2015/16 Not Achievable Monitoring 2015/16 P6	Total Required under Existing 2014-17 Strategy	Increase / (Decrease) on Business Plan and Slipped
30	Zero Based Budgets and Business Planning	Redesign services, for example, Business Design, Digital Services, Customer Services, Business Support, Print Services, Programme Management	30				30	-
48	A workforce that fits	Develop a workforce that appropriately fits the size and requirements of the organisation as it moves to become a commissioning council	48				48	-
12	A workforce that fits	Develop a workforce that appropriately fits the size and requirements of the organisation as it moves to become a commissioning council	12				12	-
-	A workforce that fits	Develop a workforce that appropriately fits the size and requirements of the organisation as it moves to become a commissioning council	10				10	(10)
-	A workforce that fits	Develop a workforce that appropriately fits the size and requirements of the organisation as it moves to become a commissioning council	45				45	(45)
26	A workforce that fits	Develop a workforce that appropriately fits the size and requirements of the organisation as it moves to become a commissioning council					-	26



SBM Proposed 2016/17 Saving	Redesign Piece	Business Plan Heading	Existing Business Plan 2016/17 Saving	2015/16 Slipped in Feb 2015	2015/16 Not Achievable Monitoring 2015/16 P5	2015/16 Not Achievable Monitoring 2015/16 P6	Total Required under Existing 2014-17 Strategy	Increase / (Decrease) on Business Plan and Slipped
-	Stop Waste	Rationalise spend in ICT. Ensure that all systems are used to best advantage of the business	40				40	(40)
14	A workforce that fits	Develop a workforce that appropriately fits the size and requirements of the organisation as it moves to become a commissioning council					-	14
-	Zero Based Budgets and Business Planning	Redesign services, for example, Business Design, Digital Services, Customer Services, Business Support, Print Services, Programme Management	43				43	- 43
-	Zero Based Budgets and Business Planning	Redesign services, for example, Business Design, Digital Services, Customer Services, Business Support, Print Services, Programme Management	18				18	(18)
-	Zero Based Budgets and Business Planning	Redesign services, for example, Business Design, Digital Services, Customer Services, Business Support, Print Services, Programme Management	34				34	(34)
130	Zero Based Budgets and Business Planning	Redesign services, for example, Business Design, Digital Services, Customer Services, Business Support, Print Services, Programme Management	43				43	87

SBM Proposed 2016/17 Saving	Redesign Piece	Business Plan Heading	Existing Business Plan 2016/17 Saving	2015/16 Slipped in Feb 2015	2015/16 Not Achievable Monitoring 2015/16 P5	2015/16 Not Achievable Monitoring 2015/16 P6	Total Required under Existing 2014-17 Strategy	Increase / (Decrease) on Business Plan and Slipped
-	Zero Based Budgets and Business Planning	Redesign services, for example, Business Design, Digital Services, Customer Services, Business Support, Print Services, Programme Management	14				14	(14)
-	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop	317				317	(317)
15	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop	15				15	-
-	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop	42				42	(42)
34	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop	34				34	-

SBM Proposed 2016/17 Saving	Redesign Piece	Business Plan Heading	Existing Business Plan 2016/17 Saving	2015/16 Slipped in Feb 2015	2015/16 Not Achievable Monitoring 2015/16 P5	2015/16 Not Achievable Monitoring 2015/16 P6	Total Required under Existing 2014-17 Strategy	Increase / (Decrease) on Business Plan and Slipped
-	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop	142				142	(142)
-	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop	328				328	(328)
-	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop	220				220	(220)
50	Sell Assets we don't need	Asset rationalisation to fit with mobile & flexible working ethos. Manage total asset base of Council under Corporate Landlord arrangement						50
128	Sell Assets we don't need	Asset rationalisation to fit with mobile & flexible working ethos. Manage total asset base of Council under Corporate Landlord arrangement						128

<b>SBM Proposed 2016/17 Saving</b>	<b>Redesign Piece</b>	<b>Business Plan Heading</b>	<b>Existing Business Plan 2016/17 Saving</b>	<b>2015/16 Slipped in Feb 2015</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P5</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P6</b>	<b>Total Required under Existing 2014-17 Strategy</b>	<b>Increase / (Decrease) on Business Plan and Slipped</b>
14	Sell Assets we don't need	Asset rationalisation to fit with mobile & flexible working ethos. Manage total asset base of Council under Corporate Landlord arrangement						14
50	Sell Assets we don't need	Asset rationalisation to fit with mobile & flexible working ethos. Manage total asset base of Council under Corporate Landlord arrangement						50
221	Sell Assets we don't need	Asset rationalisation to fit with mobile & flexible working ethos. Manage total asset base of Council under Corporate Landlord arrangement						221
80	Sell Assets we don't need	Asset rationalisation to fit with mobile & flexible working ethos. Manage total asset base of Council under Corporate Landlord arrangement						80
-	Zero Based Budgets and Business Planning	Redesign services, for example, Business Design, Digital Services, Customer Services, Business Support, Print Services, Programme Management						-
476	Zero Based Budgets and Business Planning	Redesign services, for example, Business Design, Digital Services, Customer Services, Business Support, Print Services, Programme Management						476

<b>SBM Proposed 2016/17 Saving</b>	<b>Redesign Piece</b>	<b>Business Plan Heading</b>	<b>Existing Business Plan 2016/17 Saving</b>	<b>2015/16 Slipped in Feb 2015</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P5</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P6</b>	<b>Total Required under Existing 2014-17 Strategy</b>	<b>Increase / (Decrease) on Business Plan and Slipped</b>
5	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop						5
150	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop						150
169	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop						169
372	Zero Based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop						372
<b>2,025</b>		<b>TOTAL</b>	<b>1,434</b>	<b>146</b>	<b>301</b>	<b>-</b>	<b>1,881</b>	<b>143</b>

**Corporate – 2016/17 Revised Savings Proposals**

SBM Proposed 2016/17 Saving	Redesign Piece	Business Plan Heading	Existing Business Plan 2016/17 Saving	2015/16 Slipped in Feb 2015	2015/16 Not Achievable Monitoring 2015/16 P5	2015/16 Not Achievable Monitoring 2015/16 P6	Total Required under Existing 2014-17 Strategy	Increase/ (Decrease) on Business Plan and Slipped
1,000	Zero based Budgets and Business Planning	Review of corporate budgets to meet expected demand across the authority, removal of borrowing requirements, increased generation of interest on balances, baselining New Homes Bonus.	1,000				1,000	-
500	Zero based Budgets and Business Planning	Review of corporate budgets to meet expected demand across the authority, removal of borrowing requirements, increased generation of interest on balances, baselining New Homes Bonus.	500				500	-
871	Zero based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop	871		559		312	559
2,300	Zero based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop	2,300				2,300	-

<b>SBM Proposed 2016/17 Saving</b>	<b>Redesign Piece</b>	<b>Business Plan Heading</b>	<b>Existing Business Plan 2016/17 Saving</b>	<b>2015/16 Slipped in Feb 2015</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P5</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P6</b>	<b>Total Required under Existing 2014-17 Strategy</b>	<b>Increase / (Decrease) on Business Plan and Slipped</b>
409	Zero based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop	409				409	-
218	Zero based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop						218
153	Zero based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop						153
1,006	Zero based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop						1,006

<b>SBM Proposed 2016/17 Saving</b>	<b>Redesign Piece</b>	<b>Business Plan Heading</b>	<b>Existing Business Plan 2016/17 Saving</b>	<b>2015/16 Slipped in Feb 2015</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P5</b>	<b>2015/16 Not Achievable Monitoring 2015/16 P6</b>	<b>Total Required under Existing 2014-17 Strategy</b>	<b>Increase / (Decrease) on Business Plan and Slipped</b>
413	Zero based Budgets and Business Planning	Plan for 7.5% on-going reduction in costs across Resources and Support through continual review and redesign to meet the changing needs of the organisation as they develop						413
<b>5,128</b>		<b>TOTAL</b>	<b>3,338</b>	<b>-</b>	<b>559</b>	<b>-</b>	<b>3,897</b>	<b>1,231</b>