



<u>Committee and Date</u>	<u>Item</u>
Cabinet	
16 December 2019	<u>Public</u>

FINANCIAL STRATEGY 2020/21 – 2024/25

Responsible Officer James Walton

e-mail: james.walton@shropshire.gov.uk Tel: 01743 258915

1. Summary

This report is the first financial strategy report for 2019/20 and builds on the Financial Strategy approved by Council on 28th February 2019 to provide information and recommendations on the Council's proposals to manage its financial position for 2020/21 and beyond.

The key focus of this report is the 2020/21 budget strategy due to the Government delaying the Fair Funding Review and Business Rate Retention Reform and instead announcing a one year Spending Round in September 2019. The anticipated impact of the Spending Round announcement has been reflected within the budget strategy along with an update of the growth model which has highlighted increased financial pressure for both Adult Social Care and Children's Social Care. This pressure is apparent within the Financial Monitoring Report for Quarter 2 2019/20 which has identified an overspend of £6m predominantly due to increased cost pressure in Adult Services and Children's Services. It has therefore been necessary to realign the budgets with this increased growth in 2020/21 and deliver compensatory savings to create a planned balanced budget for the year.

The key messages within this report are:

- Adult Social Care is growing by £8m to £10m each and every year and is unaffordable and unsustainable. Inflation in this sector accounts for at least half of this growth. New and innovative models of delivery must be created to reduce growth in this area.
- Children's Social Care is growing by up to £5m every year and is unaffordable and unsustainable. New models of delivery are essential to stem this growth.
- The Financial Strategy was approved in February 2019 and assumed increased income and savings. The budget has been reviewed and updated with all known information, and there is now an additional funding gap of £14m in 2020/21. This £14m must be found, and the plan is to recover this gap through innovation and transformation to create new models of delivery across the Council.
- The Council can only deliver a balanced budget by cutting costs in all services to fund increasing social care provision. The alternative would be a

combination of more government funding, higher Council Tax and new models of delivery in Social Care.

- The Council cannot set a sustainable budget; there is no information available beyond the pre-election, pre-consultation, pre-settlement funding outlined for 2020/21.
- Growth in social care costs is not sustainable; every year costs increase by up to £15m, outstripping the ability to raise resources locally due to the limitation placed on Council Tax rises (a 2% rise generates less than £3m). One-off funding, distributed as government grants, is insufficient to meet the current levels of growth. Put simply, the Council cannot currently raise enough income through Council Tax increases or by other means to meet the increasing cost of its services, particularly social care.
- The Council has less money, grants are being cut but costs are growing. The local taxpayer is having to pay more to receive less:
 - Over the last four years the Council's net budget has fallen from £216m to £214m. With the impact of inflation this means spending on services has had to be cut.
 - Four years ago 55% of the Council's net budget was funded by Council Tax (£119m) but in 2019/20 that has grown to 72% (£154m). This places a greater burden for funding services on the local taxpayer.
 - Over the last 4 years, the proportion of social care budgets has increased from 44% to 62% of the Council's net budget, an additional £37m.

2. Recommendations

It is recommended that members:

- A. Approve the savings proposals which will contribute towards delivery of a balanced budget in 2020/21 as outlined in Appendix 4, enabling the Leader of the Council to take his proposed budget to consultation before taking to Council on 27 February 2019.
- B. Note the revised funding gap for the years 2021/22 to 2024/25.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1. The development and delivery of the Council's 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 Financial Strategy makes specific reference to the Council's ability to set a sustainable budget (one of the highest of the Council's key strategic risks) and future funding levels.

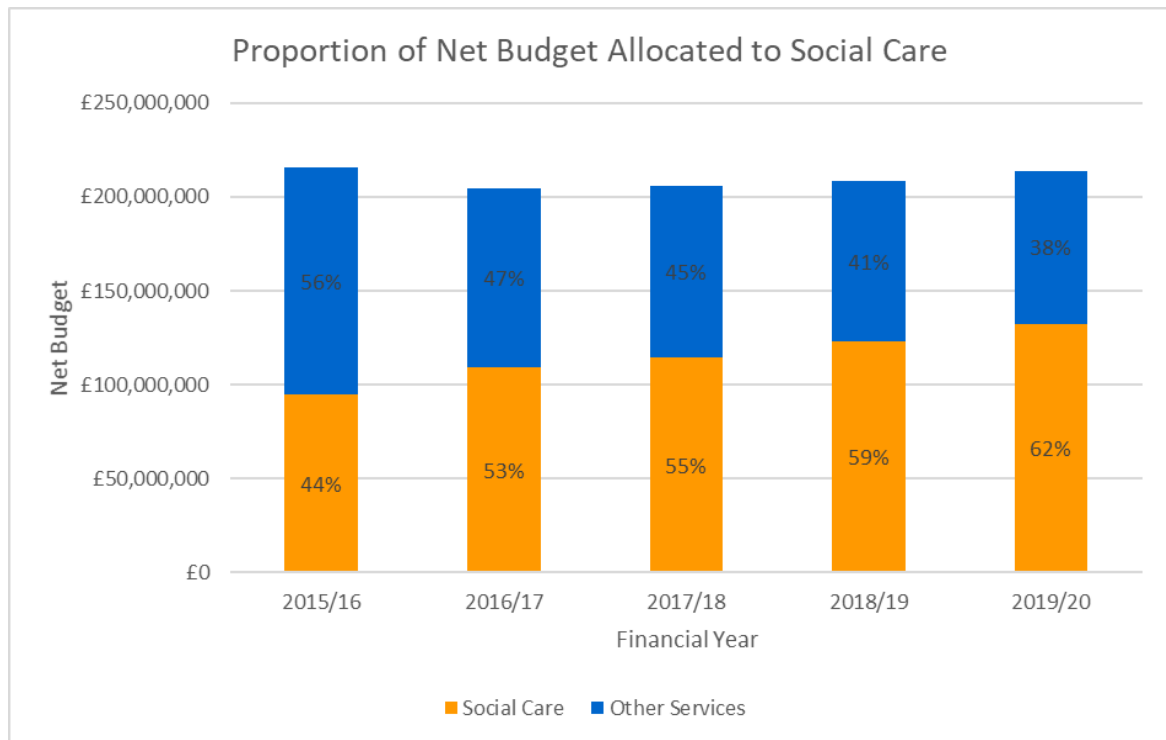
- 3.2. Setting the Financial Strategy and agreeing the detailed changes necessary to deliver the agreed budget for the next financial year, will take into account the requirements of the Human Rights Act, any necessary environmental appraisals, the need for Equality and Social Inclusion Impact Assessments (ESIA) and any necessary service user consultation.

4. Financial Uncertainty

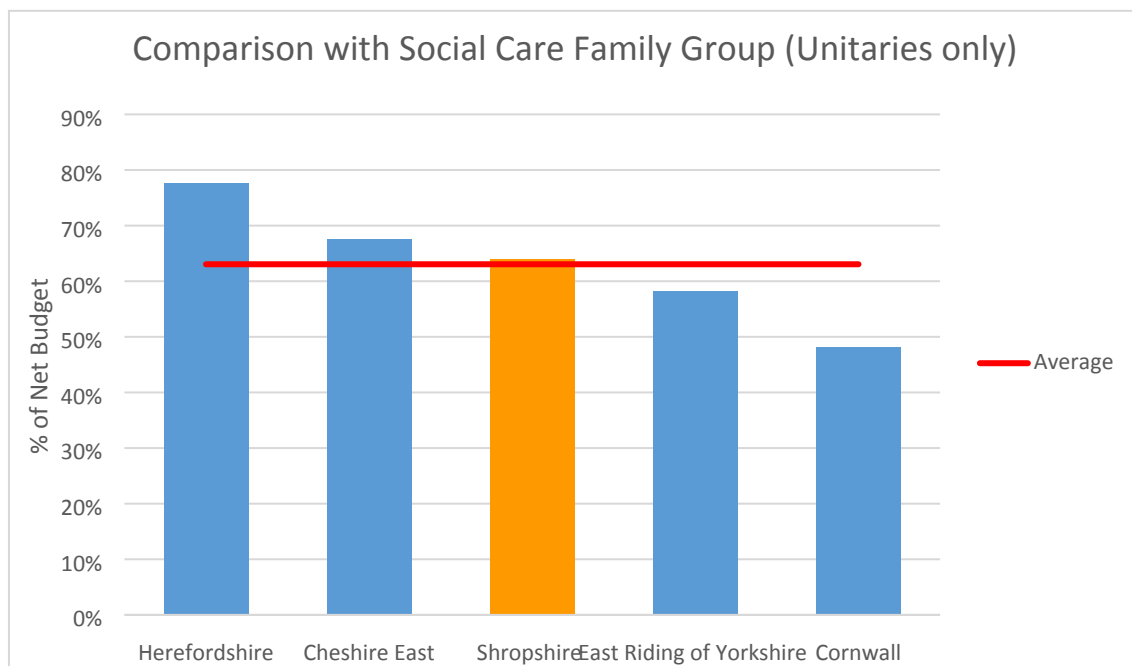
- 4.1. The projections for the 2020/21 budget are based upon indications of funding provided by the Spending Round published on 4 September. The Spending Round was a national exercise and Shropshire Council figures will not be confirmed (provisionally) until the provisional settlement is published. Given the impact of the General Election on 12 December 2019, there is a risk that the provisional settlement will not be announced until the new year.
- 4.2. There are currently no indications as to whether a further Spending Round will be published for the 2021/22 financial year and beyond, and when this would be.
- 4.3. The Fair Funding and Business Rates Retention reviews have been on hold since the original intention to implement them in 2019/20. This leaves the possibility that for 2021/22 a short-term or medium-term Spending Round could be announced, or a complete Fair Funding review could be announced at some point in the future, dependent upon the government returned in December 2019 and their ability and desire to make a decision on this fundamental issue for local government.

5. Impact of Growth in Social Care

- 5.1 As detailed in the Financial Monitoring report – Quarter 2 that was presented to Cabinet on 18 November 2019, the 2019/20 budget is currently projecting an overspend which has resulted predominantly due to further growth in the Adult Social Care and Children's Social Care budgets which has exceeded the growth model that had been calculated for the year.
- 5.2 The pressure that the growth in social care costs places on the Council's budget is demonstrated in Graph 1 below. This shows that based on a relatively stable net budget over the period of 4 years, the proportion of social care budgets increases from 44% to 62% of the Council's net budget, an additional £37m. The net budget itself was £216m in 2015/16 of which 55% was funded by Council Tax, in 2019/20 the net budget has fallen slightly to £214m (despite inflation over this period) and is now 72% funded by Council Tax demonstrating a significant in removing government funding from local authorities. This also demonstrates that the budgets for other services across the Council have had to contract accordingly to enable the Council to remain within its funding envelope.

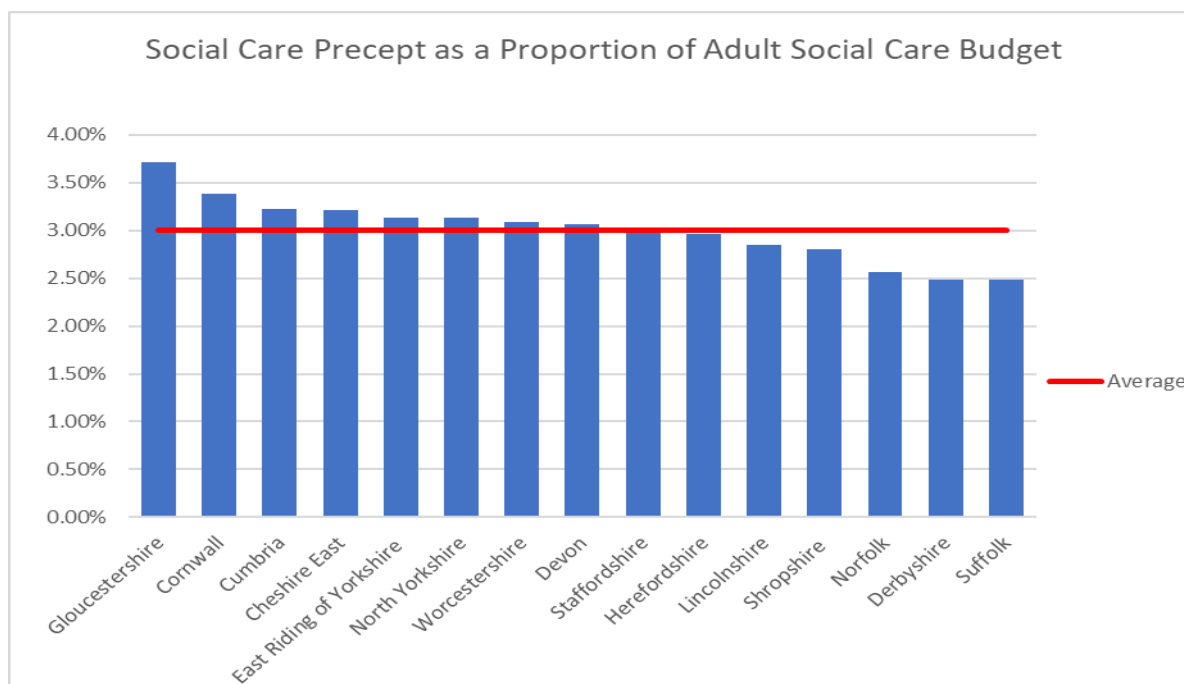


- 5.3 A comparison of the Council's proportion of social care spend to other authorities in the Social Care Family Group in 2019/20 has been performed and this demonstrates that the proportion of social care to net budget for Shropshire is in line with the average across the group.



- 5.5 The level of Social Care precept raised has been prescribed by Government policy with authorities only allowed to precept a total of 6% over a 3 year period and differing authorities within the family group have pursued differing policies of how this has been implemented. In order to compare the proportion of Adult Social Care budget that could be funded through the social care precept, a standard 2% increase has been assumed across all

authorities. The graph below demonstrates that the proportion of social care precept that Shropshire can raise in relation to the adult social care budget is below average when compared to other authorities in the Social Care Family Group. For the same percentage of growth in Adult Services costs, therefore, proportionately less can be generated in Shropshire via the precept towards these costs. This creates added pressure on the Council to find compensatory savings to balance the budget each year against the increase in social care costs and demand.



- 5.6 Over the multi-year settlement period the net cost of Social Care, after the application of government funding initiatives such as Improved Better Care Funding and Adult Social Care Support Grant, and after taking account of the additional funding raised locally through the Adult Social Care Precept has been just under £54m more than the resources available. This is demonstrated in the table below.

Table 1: Shortfall in Social Care Funding over a Four Year Period

Social Care (Adults and Children)	2016/17	2017/18	2018/19	2019/20
Growth in Spend (annual)	14,292,960	5,285,100	8,545,850	9,686,340
Improved Better Care Funding	0	216,820	4,328,800	8,153,520
Adult Social Care Support Grant	0	1,400,051	871,140	0
Social Care Funds (£3.775m share of £410m announced in Autumn Statement)	0	0	0	3,774,940
Social Care Precept (annual)	2,443,412	2,662,026	4,122,723	1,481,914
Cumulative Growth	14,292,960	19,578,060	28,123,910	37,820,250
Cumulative Funding	2,443,412	6,722,309	14,428,101	22,638,535
Shortfall (annual)	-11,849,548	-12,855,751	-13,695,809	-15,181,715
Cumulative Shortfall	-11,849,548	-24,705,299	-38,401,108	-53,582,823

- 5.7 The current growth model for social care has been updated for both adult social care and children's safeguarding to reflect the increased growth that has occurred in 2019/20. This shows a further increase in net budget required in social care of £15.6m for 2020/21. The Government have so far provided the following information regarding potential allocations of funding for social care pressures:

Table 2: 2020/21 Social Care Funding and Impact on Cumulative Funding

Social Care (Adults and Children)	2020/21
Growth in Spend (annual)	14,292,960
Improved Better Care Funding	9,547,343
Social Care Funds (£3.775m share of £410m announced in Autumn Statement)	7,882,889
Social Care Precept (annual)	3,152,715
In year surplus of funding based on 2020/21 growth only	6,289,987
Cumulative Growth	52,113,210
Cumulative Funding	31,293,022
Shortfall (annual)	-20,820,188
Cumulative Shortfall	-74,403,011

- 5.8 Whilst the in-year figures demonstrate that the Government has more than funded the projected growth for 2020-21, due to the lack of ongoing funding for social care over the last five years, the cumulative shortfall increases again to £74.4m. This pressure is not sustainable and it is imperative that the Government takes further action to appropriately fund the social care pressures faced by upper tier authorities.

6. Development of the Budget Strategy

- 6.1 The Government had initially launched its Fair Funding Review and Business Rate Retention Reform to take effect from the 2020/21 financial year, however during the course of 2019 it was announced that a one year Spending Round would be published by the Government and the review of Local Government finance would be delayed. As a result, this Financial Strategy Report focusses on the 2020/21 budget setting process and whilst it identifies the funding gap for 2021/22 and beyond, no further analysis is provided on this given the uncertainty regarding future funding levels.

Additional Resources

- 6.2 The Spending Round announced by the Government in September 2019 provided headline details of funding that the Council can expect to receive for 2020/21. Final details of the grant allocations that will be received will not be determined until the provisional and final local government settlements, however indicative grant funding could be determined. One off grants such as the Rural Services Delivery Grant, the Improved Better Care Fund, Winter Pressures Funding and the New Homes Bonus are due to continue to be received for 2020/21 and these are expected to be of a similar cash value to previous years. The Government also outlined a new

Social Care Grant which it is intended will provide additional funding towards the Social Care cost pressures experienced by local authorities. This grant is anticipated to be £7.883m but as outlined in section 5, this funding is not sufficient compared to the growth in costs that the Council has experienced over the period.

- 6.3 The calculation of the Council Tax Taxbase for 2020/21 is due to be considered elsewhere on Cabinet's agenda, however this is demonstrating an increase in the taxbase of 2.08% which will generate an additional £0.535m from the original growth assumptions.

Additional Demography and Growth

- 6.4 As highlighted above, the Council has experienced continued growth in Social Care for both Adult Services and Children's Services which is outstripping previous estimates of growth built into earlier iterations of the Financial Strategy. This growth is due to a combination of client demand and increases in the complexity and costs of care packages. As a result, the growth model within Adult Services, which predicts the level, type and seasonality of growth anticipated, has been re-run and estimates that further growth of approximately £3.5m is required over and above the £11.7m originally projected for 2020/21 to bring the budget in line with the costs anticipated.
- 6.5 Children's Services are also experiencing increases in demand for services and increased costs from residential packages with costs in 2019/20 outstripping the growth model that had been assumed. Accordingly the growth model has been revised in line with demand experienced and this details additional growth required of £1.4m for 2020/21. The increase in demand for Children's Services has also resulted in further growth required for Children's Social Care staff and legal costs from childcare court cases. This has added a further £0.900m.
- 6.6 Services have also identified service specific growth that is required due to ongoing pressures being identified within the 2019/20 monitoring position. The total growth required is £1.9m and consists of loss of income, additional staffing resources and new IT requirements. A breakdown of the key elements is provided in Table 3 below:

Service Specific Growth	Amount	Key Elements of Growth
Loss of Income	£1.233m	<p>£0.970m loss of DSG following baselining exercise</p> <p>£0.086m loss of WME profit share due to reduced energy costs</p> <p>£0.070m loss of land charges income due to slowdown in housing market</p>
Staffing Resource	£0.314m	£0.129m for Building Control due to increase in enforcement following

		Grenfell Tower £0.080m for Looked After Care apprentices to reduce pressure on agency staffing budgets
New IT Requirements	£0.414m	£0.180m for WAN dual running costs £0.050m for patch management software £0.040m for ERP authentication system
Total	£1.961m	

Savings Proposals

- 6.7 The Financial Strategy 2018/19 – 2022/23 agreed by Council on 22 February 2018, included savings proposals for 2018/19, 2019/20 and 2020/21. As referred to above, the 2019/20 monitoring position highlights that there are £5.463m of savings proposals currently RAG rated as red. In some cases, the proposals are classified as red due to a delayed implementation, although a number of these savings cannot be implemented as originally planned. It is therefore proposed that some of these savings (£4.941m) are removed from the ongoing budget strategy and alternative savings identified. Details of the 2019/20 savings classified as undeliverable are shown in Appendix 5.
- 6.8 The Financial Strategy for 2019/20 – 2023/24 removed a number of savings within 2019/20 due to them being considered as undeliverable. A proportion of these savings were deemed to be unachievable due to a delay in implementation and these savings have therefore been reinstalled as savings for 2020/21.
- 6.9 A review of previously agreed 2020/21 saving proposals has also been carried out and where these savings are now deemed unachievable these have been replaced with other savings proposals. These amended savings are detailed on Appendix 4.
- 6.9 Due to the demographic growth required within the budget for 2020/21, it has become necessary to identify further savings in order to deliver a balanced budget. The Council had previously identified savings of £5.5m in Highways (£5m) and Adult Services (£0.5m) that were removed in 2018/19 for a two year period. It is proposed that these savings now become permanent savings.
- 6.10 As a result of the funding gap identified from the demographic growth required, new savings of £14m have also been identified within service areas in order to bring the budget back in to balance. It should be noted that in some areas, only one off savings could be identified for 2020/21 whilst long term plans are implemented so that base budget savings can be

implemented for 2021/22. A schedule of the proposed savings to be delivered in 2020/21 are detailed in Appendix 4 and summarised in Table 4 below.

Table 4 : Savings Proposals for 2020/21

	2020/21 Savings Previously Agreed £	Undelivered Savings in 2019/20 added back in £	New Savings £	TOTAL £
Adult Services	2,868,710	685,000	3,400,000	6,953,710
Children's Services	-200,000	0	2,600,000	2,400,000
Place	1,475,490	2,096,000	3,900,000	7,471,490
Finance, Governance & Assurance	0	0	1,100,000	1,100,000
Legal & Democratic Services	0	0	400,000	400,000
Workforce & Transformation	0	0	2,600,000	2,600,000
Total	4,144,200	2,781,000	14,000,000	20,925,200

- 6.11 Within Children's Services new savings proposals, there is the intention to reduce the numbers of children in long term residential care by £2m. To achieve this £2m saving, investment of approximately £1.3m would be required in staffing and commissioned support services for a transitional period while resources are shifted to preventative work in terms of supporting children not becoming looked-after or cared for by foster families rather than residential. Additional savings should be felt in other areas of the Council such as Legal Services and Adult's Services.
- 6.12 The Actuarial valuation has been performed on the Shropshire County Pension Fund as at 31 March 2019. As a result of an improvement in returns on the Pension Fund, this has resulted in a net saving to the Council, particularly in relation to the deficit recovery amount. The Council is looking to maximise this saving by again prepaying 3 years' worth of employer contributions and the deficit recovery amount in advance and hence delivering a further revenue saving. Final figures relating to the prepayment are still awaited from the actuary however it is anticipated that the total saving to the Council from reduced pension contributions will be approximately £1.8m.

7. The Funding Gap

- 7.1. As a result of the demographic pressures highlighted above and additional savings identified the base budget funding gap stands at £29.829m. It is proposed that the Council again applies one off funding of grants announced in the Spending Round to reduce this gap in 2020/21.
- 7.2. A further one source of funding for 2020/21 will be the partial use of the cost of investment budget. This budget was set aside for the related borrowing costs to be incurred from progressing capital schemes that would then deliver revenue savings in the budget. Due to delays and refinements of which schemes will be progressed, it is not anticipated that the full budget provision will be required and therefore £2.750m can be released to bridge the funding gap in year.

- 7.3. The fact that the Council can address the 2020/21 funding gap through the use of one off balances means that the Financial Strategy reserve can remain in tact and instead be used to help fund the potential 2021/22 funding gap when it is anticipated that one off grant funding will cease through the Fair Funding Review.

8. Long Term Financial Strategy

- 8.1 As outlined above, the 2021/22 to 2024/25 financial years within the Financial Strategy assume that the Government will complete the Fair Funding Review and the implications of this will be experienced during these years. It is difficult at this stage to predict with any accuracy as to what the implications will be for Shropshire Council however it is currently assumed that one off sources of funding such as the Rural Services Delivery Grant, Improved Better Care Fund and New Homes Bonus will be removed in future years. With growth in services such as social care anticipated to continue to grow as per current demography, this results in a Funding gap of £33.3m in 2021/22 growing to £50.7m in 2024/25.
- 8.2 The Council has been building up a Financial Strategy Reserve over the last four years in order to provide the Council with some resilience to the impact that Fair Funding may have on the Council's budget and it is anticipated that this will be fully released in 2021/22. In the meantime the Council will continue to make representations to Government that the funding for Social Care has not been sufficient for a number of years and this needs to be addressed in the Funding Review.

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

Cabinet Member (Portfolio Holder)

David Minnery

Local Member

All

Appendices

Appendix 1 – Resource Projections

Appendix 2 – Expenditure Projections

Appendix 3 – Funding Gap

Appendix 4 – Savings Proposals

Appendix 5 – 2019/20 Red Savings Unachievable

Appendix 1 – Resource Projections

	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Council Tax	163,933,777	173,287,521	183,173,997	193,625,808	204,674,538
Business Rates:					
Business Rates Collected	40,779,117	41,516,404	42,267,020	43,031,208	43,809,212
Top Up Grant	9,870,440	9,870,440	9,870,440	9,870,440	9,870,440
RSG	4,079,367	2,039,683	0	0	0
Collection Fund:					
Council Tax	500,000	500,000	500,000	500,000	
Business Rates	-500,000	-500,000	-500,000	-500,000	
NET BUDGET	218,662,701	226,714,048	235,311,457	246,527,455	258,354,190
Grants included in Core Funding:					
Improved Better Care Fund	9,547,343	0	0	0	0
New Homes Bonus	8,105,460	4,592,570	2,227,140	0	0
Rural Services Delivery Grant	6,614,130	0	0	0	0
Social Care Grant	7,882,889	0	0	0	0
CORE FUNDING	250,812,523	231,306,618	237,538,597	246,527,455	258,354,190
Local Income					
Fees and charges (including income savings deliverable from prior years)	82,754,145	85,035,246	87,353,942	89,852,516	92,595,110
Other Grants and contributions	22,522,390	22,522,390	22,522,390	22,522,390	22,522,390
Specific Grants (excluding Core Funding Grants above)	213,789,620	202,019,300	201,966,950	201,919,830	201,877,422
Internal Recharges	7,712,950	7,712,950	7,712,950	7,712,950	7,712,950
TOTAL FUNDING	577,591,628	548,596,504	557,094,829	568,535,141	583,062,062

Appendix 2 – Expenditure Projections

	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Original Gross Budget Requirement	593,079,737	607,420,784	581,862,895	594,785,451	612,415,921
Inflationary Growth :					
Pay	2,671,050	2,743,338	2,819,197	2,897,208	2,977,435
Prices	2,729,730	1,901,746	1,988,548	2,080,762	2,115,831
Pensions	-1,818,060	0	0	0	0
Demography & Demand	21,563,167	11,966,550	13,846,297	14,829,238	16,152,790
Service Specific Pressures	1,971,738	144,179	95,225	97,522	102,254
Local Generated Pressures:					
Elections		700,000	-700,000		
Specific Grants Changes between years	767,942	-39,327,572	-2,417,780	-2,274,260	-42,408
One off investment in IT infrastructure	1,101,130	-1,101,130			
Estimated Cost of Investment - <i>Approved</i>	1,485,000	1,265,000	1,760,000		
Savings					
<i>Savings from prior years- 2018/19 - Approved</i>	-4,144,200	-3,850,000	-4,468,930		
<i>Remove 2019/20 Red Savings Unachievable</i>	4,794,550				
<i>2019/20 Red savings Achievable in 2020/21</i>	-2,781,000				
<i>New Savings</i>	-14,000,000				
TOTAL EXPENDITURE	607,420,784	581,862,895	594,785,451	612,415,921	633,721,823

Appendix 3 – Funding Gap

	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £
Resources	577,591,628	548,596,504	557,094,829	568,535,141	583,062,062
Expenditure	607,420,784	581,862,895	594,785,451	612,415,921	633,721,823
Gap in year	29,829,156	33,266,391	37,690,622	43,880,780	50,659,761
One Off Funding to be used:					
<u>One off Grants:</u>					
Rural Services Delivery grant	6,614,130	0	0		
New Homes Bonus - One Off	3,084,407	-385,494	-2,891,701	-5,118,840	-5,118,840
Improved Better Care Funding	9,547,343	0	0		
Social Care Funding - One Off	7,882,889				
<u>Use of Reserves:</u>					
One off use of Cost of Investment Budget	2,750,000				
Financial Strategy Reserve	-49,613	19,005,665			
TOTAL ONE OFF FUNDING	29,829,156	18,620,171	-2,891,701	-5,118,840	-5,118,840
Remaining Gap to be Funded	0	14,646,220	40,582,323	48,999,620	55,778,601

Appendix 4 – Savings Proposals

Adult Services

Ref	Directorate	Portfolio Holder	Description	2020/21 Saving
2020/21 Savings Previously Agreed				
A05	Adult Services	Dean Carroll	Use of HOLD (capital) funding to reduce the cost of high cost placements	50,000
A09	Adult Services	Dean Carroll	Increase in supported living accommodation	117,670
A14	Adult Services	Dean Carroll	Review of supporting people contracts	206,000
A15	Adult Services	Dean Carroll	Invest in digital health technologies	200,000
A17	Adult Services	Dean Carroll	Explore joint housing and social care opportunities with partners	200,000
A18	Adult Services	Dean Carroll	Provider market stewardship and micro-commissioning	300,000
A19	Adult Services	Dean Carroll	Increased use of social prescribing	50,000
A22	Adult Services	Dean Carroll	Single Handed Care - Reduce the cost of care packages by investing in technology	40,000
A23	Adult Services	Dean Carroll	Increased number of Shared Lives placements and Positive Steps contract review	52,140
A25	Adult Services	Dean Carroll	Innovate to generate new income	50,000
A26	Adult Services	Dean Carroll	Maximising capacity within Day Services	96,700
2A33R	Adult Services	Dean Carroll	Increased Joint Training Income	20,000
2A34R	Adult Services	Dean Carroll	Community catalysts	100,000
2A35R	Adult Services	Dean Carroll	Transport review	100,000
2A36R	Adult Services	Dean Carroll	Review block bed provision	250,000
2A37R	Adult Services	Robert Macey	Increased Housing Income	100,000
2A38R	Adult Services	Robert Macey	Utilisation of HRA monies to fund temp accommodation properties	172,200
2A39R	Adult Services	Dean Carroll	Joint commissioning of adult's social care placements with Shropshire CCG (increase on saving A28)	15,000
2A40R	Adult Services	Dean Carroll	Reduction in use of external reablement	100,000
2A41R	Adult Services	Dean Carroll	CM2000 reduction in contract	50,000
2A42R	Adult Services	Dean Carroll	TUPE savings on Crowmoor contract	32,000
2A43R	Adult Services	Dean Carroll	Review commissioning to review contract tender arrangements	10,000
2A44R	Adult Services	Dean Carroll	Increase the use of positive steps as alternative delivery model	27,000
2A45R	Adult Services	Dean Carroll	Review of spot purchasing	50,000
2A46R	Adult Services	Gwilym Butler	Regulatory Services, Trading Standards and Licensing, bereavement redesign of delivery model and an increased focus on income generation. Opportunities include an increased digital presence.	400,000
H12	Public Health	Dean Carroll	Help2Change Service Charges	30,000
H13	Public Health	Dean Carroll	Innovation within Help2Change	50,000
				2,868,710
Undelivered Savings in 2019/20 added back in				
A28	Adult Services	Dean Carroll	Joint commissioning of adult social care placements with Shropshire CCG	535,000
H16	Public Health	Gwilym Butler	Develop parking functions in line with the parking strategy	100,000
H24	Public Health	Dean Carroll	Reclaim of funds from out of area for sexual health services (Wales)	50,000
				685,000
New Savings				
2A03	Adult Services	Dean Carroll	External income generation	100,000

Adult Services

Ref	Directorate	Portfolio Holder	Description	2020/21 Saving
2A11	Adult Services	Dean Carroll	Review of Existing Community Based packages	400,000
2A12	Adult Services	Dean Carroll	Reducing block day care contract	20,000
2A13	Adult Services	Dean Carroll	CM2000 reduction in contract	20,000
2A14	Adult Services	Dean Carroll	Review block ASC contracts	20,000
2A15	Adult Services	Dean Carroll	DP – continuous service improvement and efficiencies	150,000
2A16	Adult Services	Robert Macey	Increased Housing Income on Handyperson service	50,000
2A17	Adult Services	Robert Macey	DFG Fees interest	100,000
2A18	Adult Services	Robert Macey	Reclaim of HRA monies	80,000
2A19	Adult Services	Dean Carroll	Regulatory Services Growth	26,000
2A20	Adult Services	Dean Carroll	Redesign of integrated sexual health services	100,000
2A21	Adult Services	Dean Carroll	Inpatient Detox	50,000
2A22	Adult Services	Dean Carroll	Out of Hours Cover	25,000
2A23	Adult Services	Dean Carroll	Bereavement Services Income	36,000
2A26O	Adult Services	Dean Carroll	Regulatory Services Capital reversal	100,000
2A27	Adult Services	Dean Carroll	Registrars and Coroners income and reserve savings	30,000
2A28	Adult Services	Dean Carroll	Public Health services training income	10,000
2A29	Adult Services	Dean Carroll	Review of NHS Healthchecks, Preventive Health and Health TV.	30,000
2A30	Adult Services	Gwilym Butler	Increase parking function in line with the parking strategy	50,000
2A31	Adult Services	Dean Carroll	Reduction in purchasing growth	759,000
2A15	Adults Services/ Corporate Services	Dean Carroll	PFI Contract Savings	200,000
2P02	Adults Services/Place	Robert Macey	New model for temporary housing	250,000
2A32O	Adult Services	Dean Carroll	One-Off Grant monies usage	814,000
				3,400,000
Total Adult Services Savings				6,953,710

Children's Services

Ref	Directorate	Portfolio Holder	Description	2020/21 Saving
2020/21 Savings Previously Agreed				
C14	Children's Services	Ed Potter	Expand the use of Troubled Families grant income for two years.	-200,000
New Savings				
2C03	Children's Services	Ed Potter	Reducing numbers of children in long term residential care	2,000,000
2C08	Children's Services	Ed Potter	Smarter commissioning of our highest cost residential placements	250,000
2C09	Children's Services	Ed Potter	Impact of new residential homes	100,000
2C10	Children's Services	Ed Potter	Reduction in use of agency workers	150,000
2C06	Children's Services	Ed Potter	Agreed reduction to proposed Education Support growth"	100,000
				2,600,000
Total Children's Services Savings				2,400,000

Place

Ref	Directorate	Portfolio Holder	Description	2020/21 Saving
2020/21 Savings Previously Agreed				
P02	Place	Lezley Picton	End agreement with Rockspring Community Centre	7,730
P11	Place	Lezley Picton	Review of library provision	73,950
P15	Place	Steve Charmley	Review of community assets	73,810
P30	Place	Steve Charmley	Development of cultural assets to raise additional income	200,000
P39	Place	Steve Charmley	Raise income from investment in assets	500,000
P41	Place	Steve Davenport	Negotiate contract savings upon renewal, through better contract management	300,000
P65	Place	Steve Charmley	Income generation from investment in assets	320,000
				1,475,490
Undelivered Savings in 2019/20 added back in				
P05	Place	Steve Charmley	Review of car parking at administrative sites	96,000
P34&P39	Place	Steve Charmley	Land acquisition, development and investment	2,000,000
				2,096,000
New Savings				
2P03	Place	Steve Charmley	Support package for Operation of Park and Ride	200,000
2P05	Place	Rob Macey	HRA cost recovery	100,000
2P06	Place	Steve Charmley	Assets and Estates rationalisation	200,000
2P13	Place	Lezley Picton	Waste Growth Item Reversal	450,000
2P14	Place	Steve Davenport	Increased income for Streetworks Team	60,000
2P02	Place	Rob Macey	New model for temporary housing	250,000
2P150	Place	Steve Davenport	One-off Draw down Kier underspend reserve	1,000,000
2P160	Place	Steve Davenport	One-off Draw down Severe Weather reserve	350,000
2P170	Place	Steve Charmley	One-off Draw down Schools Building Maintenance Insurance Reserve	400,000
2P180	Place	Steve Davenport	One-off streetworks income	190,000
2P190	Place	Steve Charmley	One-off Draw down Workshops Provision	200,000
2P200	Place	Steve Davenport	One-off Draw down Transport Reserve	300,000
2P210	Place	Steve Davenport	LED Street Lighting	200,000
				3,900,000
Total Place Savings				7,471,490

Finance Governance & Assurance

Ref	Directorate	Portfolio Holder	Description	2020/21 Saving
New Savings				
2F01	Finance	David Minnery	Insurance premiums and recharges	163,000
2F02	Finance	David Minnery	Investment returns and smoothing fund	149,820
2F03	Finance	David Minnery	Development Fund base budget reduction	300,000
2F05	Finance	David Minnery	External commercial services	320,000
2F06	Finance	David Minnery	Staffing	70,000
2F07O	Finance	David Minnery	Contribution from insurance reserves	97,180
Total Finance, Governance & Assurance Savings				1,100,000

Legal & Democratic

Ref	Directorate	Portfolio Holder	Description	2020/21 Saving
New Savings				
2LD01	Legal & Democratic Services	David Minnery	Member Training	10,000
2LD02	Legal & Democratic Services	David Minnery	Civic Dinner	4,000
2LD03	Legal & Democratic Services	David Minnery	Member PR Budget	3,000
2LD04	Legal & Democratic Services	David Minnery	New Children's Lawyer	50,000
2LD07	Legal & Democratic Services	David Minnery	JLB Bid Funding	76,690
2LD09	Legal & Democratic Services	David Minnery	Committee Services - Vacant posts	14,200
2LD10	Legal & Democratic Services	David Minnery	Member costs reduction	5,000
2LD11	Legal & Democratic Services	David Minnery	Increased income generation	8,000
2LD12	Legal & Democratic Services	David Minnery	Postage cost reduction - committee services	5,000
2LD13	Legal & Democratic Services	David Minnery	Corporate and Democratic Core service review	224,110
Total Legal & Democratic Savings				400,000

Workforce & Transformation

Ref	Directorate	Portfolio Holder	Description	2020/21 Saving
New Savings				
2WT04	Workforce & Transformation	David Minnery	Underspend removal	10,000
2WT06	Workforce & Transformation	Lee Chapman	PCI, SIP trunking and Telephony	200,000
2WT07	Workforce & Transformation	David Minnery	Postage cost reduction	60,000
2WT08	Workforce & Transformation	David Minnery	Printing cost reduction	50,000
2WT09	Workforce & Transformation	David Minnery	Rationalisation/Integration of Legacy Systems	75,000
2WT10	Workforce & Transformation	David Minnery	Room booking system - Lower cost of external room bookings	20,000
2WT11	Workforce & Transformation	David Minnery	Training – Move to e-learning	60,000
2WT12	Workforce & Transformation	David Minnery	Review of First Line HR Contacts	25,000
2WT13	Workforce & Transformation	David Minnery	Mobile Phone Contract Reduction	40,000
2WT14	Workforce & Transformation	David Minnery	Re-working ICT approvals process	30,000
2WT15	Workforce & Transformation	David Minnery	Energy Savings	14,000
2WT16	Workforce & Transformation	David Minnery	Changes to Disaster Recovery Arrangements	50,000
2WT17	Workforce & Transformation	David Minnery	Migration of External Payrolls to BW ERP	5,000
2WT18	Workforce & Transformation	David Minnery/ Lee Chapman	ERP System Saving	67,000
2WT190	Workforce & Transformation	Lee Chapman	Contract reductions from IT infrastructure replacement – one off saving	290,000
2WT20	Workforce & Transformation	Lee Chapman	Contract reductions from IT infrastructure replacement	283,000
2WT21	Workforce & Transformation	Lee Chapman	WAN contract reductions	103,000
2WT22	Workforce & Transformation	Lee Chapman	Review of Web Services	37,000
2WT23	Workforce & Transformation	Lee Chapman	Lean review of Shropshire Council structures and processes linked to transformation, single front door and digital enabling technologies	1,181,000
Total Workforce & Transformation Saving				2,600,000
			Total	20,925,200

Appendix 5

2019/20 Red Savings Unachievable

Ref	Directorate	Portfolio Holder	Description	2020/21 £
P41	Adult Services	Dean Carroll	Negotiate contract savings upon renewal, through better contract management - Shropshire Partnership	27,720
C18	Adult Services	Dean Carroll	0-25 PHNS to take over management of one EH hub	75,000
H26	Adult Services	Dean Carroll	Pathology tests to be contracted to single provider	30,000
H34	Adult Services	Dean Carroll	Review prescribing budget	80,000
H36	Adult Services	Dean Carroll	Recommissioning across Adults, Children's and Public Health - Children & Young People's Public Health	36,310
H36	Adult Services	Dean Carroll	Recommissioning across Adults, Children's and Public Health - Community Safety	224,740
H36	Adult Services	Dean Carroll	Recommissioning across Adults, Children's and Public Health - Substance Misuse	171,140
H36	Adult Services	Dean Carroll	Recommissioning across Adults, Children's and Public Health - Public Health General Management	456,920
n/a	Adult Services	Dean Carroll	Public Health General Management	49,800
C17	Children's Services	Ed Potter	Restructure of business support functions within Learning and Skills	21,500
C18	Children's Services	Ed Potter	Passenger Transport Commissioning Savings in Learning and Skills	152,000
P04	Place	Lezley Picton	Review of waste collection and recycling services	700,000
P30	Place	Lezley Picton	Development of cultural assets to raise additional income	200,000
P39	Place	Steve Charmley	Raise income from investment in assets	2,000,000
P64	Place	Simon Harris	Review of bus subsidies	300,000
n/a	Corporate	David Minnery	Corporate Client - use of insurance fund	150,000
R22	Workforce & Transformation	David Minnery	Redesign of Customer Services	99,420
R30	Legal & Democratic Services	David Minnery	Elections reductions	20,000
Total Unachievable Savings				4,794,550