



Report of the Leader and Cabinet Member for Economy & Strategy

Cabinet – 14 December 2017

Sustainable Swansea – Fit for the Future: Budget Proposals 2018/19 – 2021/22

Purpose:	To consider budget proposals for 2018/19 to 2021/22 as part of the Council's Budget Strategy <i>Sustainable Swansea – fit for the future</i>
Policy Framework:	Medium Term Financial Plan and Budget <i>Sustainable Swansea – Fit for the Future</i>
Consultation:	Cabinet Members, Corporate Management Team, Legal, Finance, Access to Services Team
Recommendation(s):	It is recommended that Cabinet: 1) Approves the Budget proposals summarised in the report and detailed in Appendix A and Appendix C as the basis of consultation 2) Adopts the updated budget future forecast as the starting planning premise for the new medium term financial plan, which will be considered by Council on 22 February 2018. 3) Agrees the approach to consultation and engagement with staff, trade unions, residents, partners and other interested parties set out in Section 7 of this report of the report 4) Receives a report on the outcome of the consultation and final budget proposals at its meeting on 8th February 2018.
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1.0 Introduction

- 1.1 This report updates Cabinet on *Sustainable Swansea – fit for the future* and contains proposals for budget savings for consultation with residents, community groups and other stakeholders. It has full and due regard to our duties under the Well-being of Future Generations Act 2015.
- 1.2 *Sustainable Swansea – fit for the future* was approved by Council on 22 October 2013 and subsequently reviewed by Cabinet on 16th July 2015. It remains the Council's overarching approach to budget and medium term financial planning, to help deliver the well-being of future generations.
- 1.3 Since then, the Council, in line with the principles contained within *Sustainable Swansea*, has developed its approach to reviewing services and budget proposals through a series of commissioning reviews, which have set out an assessment of individual services, scope for change, alternative delivery models and potential savings and improvements that could be made. These commissioning review outcomes and future reviews form a significant part of 2018/19 and future year savings proposals.
- 1.4 On 26 October 2017, Council received a verbal presentation from the Section 151 Officer on the Mid-term Budget Statement for 2017/18 and beyond. This outlined the draft settlement from the Welsh Government, and gave an updated assessment of the savings required.
- 1.5 This was ahead of the Chancellor of the Exchequer's Autumn Budget on 22 November 2017, which as expected did have some minor loosening of financial plans to reduce public spending, in policy response to the referendum result for Brexit, amongst other matters. Announcements in this Statement will have consequential implications for Welsh Government for in year changes to 2018-19 and more importantly for the medium term. Nevertheless, the Welsh Government has been prepared to give indicative planning assumptions for not only 2018/19, but also 2019/20.

Final figures for 2018-19 and any potential announcements on future year implications are expected from Welsh Government towards the end of December 2017 when the final settlement will be confirmed. It is not expected that the Welsh Government's budget measures will be fully approved until January 2018.

Whilst not assured, it is a planning assumption that this Council could expect to receive between £1 - £1.5m of additional funding in the final settlement, as a result of the budget consequential flowing from Westminster, to the Welsh Government and ultimately to individual local authorities.

- 1.6 This report covers:
 - A reminder about the key elements of *Sustainable Swansea* and an update on progress

- An overview of service and budget priorities for the current and following three years
- An update on the financial challenge facing the Council
- The proposed savings programme, including specific proposals for 2018/19 and future years, upon which we will now need to consult
- The key risks associated with the current financial position
- Proposals for engagement and consultation
- Staffing implications
- Delivery and next steps

2.0 Background – Sustainable Swansea – fit for the future

2.1 The scale of the financial, demographic and sustainability challenge requires the Council to continue to adopt a radically different approach to previous years. An approach that focuses on:

- *The core future purpose of the Council*
- *The transformation of services and the model of delivery*
- *Greater collaboration with other councils and local organisations, community groups and residents*
- *And, above all, sustainable solutions with prevention at its heart*

This ambition is set out in *Sustainable Swansea – fit for the future*, our long-term plan for change, underpinned by our Innovation Programme.

2.2 The Strategy was agreed by Cabinet and reported to Council in October 2013. The Delivery Programme was approved by Cabinet on 29 July 2014 and was subject to further review and refresh at Cabinet on 16th July 2015.

It is important that we continue to use the narrative in all our communication and that we apply the budget principles across all our thinking. The budget principles are reflected in the proposals set out in this report.

2.3 Since the July 2015 meeting of Cabinet we have:

- Continued to work on the delivery of the Savings Programme – see **Appendix A**
- Commenced and delivered the first two phases of Service commissioning Reviews
- Identified our next phase of cross cutting reviews

2.4 These actions are covered in more detail in sections 5 and 7 below.

3.0 Our Service Priorities for 2018/19 and Beyond

3.1 Although the Council is currently focused on its plan, as set out in the existing MTFP, to save around £61m over the next three years, it is vital

that we continue to retain Member and management focus on the significant proportion of our budget that will remain. Our gross budget is approximately just under £700m (excluding Housing Services (HRA)) and we spend around £1.6m a day on services to residents (this excludes benefits in kind such as housing benefit and the council tax reduction scheme).

3.2 The Council has clear and strong long-term ambitions for Swansea and the proposals for savings must be seen in the context of the following:

- The Council's top 5 priorities and future plans for services (a revised Corporate Plan was agreed on 24th August 2017) to help deliver the well-being of future generations
- The core objectives of *Sustainable Swansea* – which embrace all that we do
- The application of the budget principles – which guide our decision making
- The ongoing and sustained reduction in external funding and the need to meet known budget pressures.

3.3 The Council's overall aim is to protect frontline delivery of services as far as possible. However, whilst many things are important, not everything can be a priority. It is important, therefore (particularly in the current climate of significantly reduced resources) that we set out clearly our expectations on all services and relative priorities for funding in the context of the £61m budget reductions that we face.

3.4 This requirement is illustrated sharply by the “gearing” effect of savings on services. In other words, if our current savings requirement of £61m over three years were applied, for example, just to Corporate Services (excluding Council Tax Reduction Scheme) and Place Services, the budgets for these areas would have to be almost cut in their entirety. Consequently, other areas such as Education and Social Care also need to face some relative real terms level of reduction over the next 3 years, given the relative size of their budgets.

3.5 A statement of budget priorities and policy statements that flow from this is set out in **Appendix B**. This statement follows an assessment of services in relation to the following criteria:

- **Invest:** those Services where the Council will increase current levels of investment
- **Maintain:** those services where the Council will broadly maintain current level of spend in the medium term
- **Remodel:** those services where the Council will reduce the current level of spend over the medium term

Regardless of relative funding levels, there is also an absolute requirement that **all services** must transform and strive for maximum efficiency.

3.6 Based on the statement of priorities and having regard to the “gearing effect” when considering savings, the indicative 3 year saving/investment targets for each major block of services is set out in Table 1 below (and Appendix B):

Table 1 – Indicative Targets

Service	Percentage Reduction/Increase over 3 Years at constant prices*
Schools and Education	-15
Social Care – Child & Families	-15
Social Care- Adults	-20
Poverty & Prevention	+5
Place	-50
Corporate Services	-50

Actual budgets will be set based on shares of service pressures, inflationary pressures and investment and specific savings decisions

3.7 This statement will form the basis of our future medium term financial plan, as well as individual service plans. Notwithstanding this broad target savings range, where it is appropriate to do so, and as set out specifically in this report, **additional targeted investment in to priority areas will also occur**. This particularly focuses on prevention, early intervention and investment for the future in line with the well-being of future generations principles and objectives.

4.0 Financial Update

4.1 The financial update that follows needs to be seen in the context of the Medium Term Financial Plan (MTFP) approved by Council on 23rd February 2017, and the Mid-term Budget Statement presentation to Council on 26th October 2017.

4.2 The indicative savings requirement for 2018/19 to 2020/21 included in the MTFP has been updated and set out in **Table 2** below. This now also includes a forecast for one more year, 2021/22:

Table 2 –Indicative Savings Requirement for 2018/19 to 2021/22

	Note	2018/19	2019/20	2020/21	2021/22
		£'000	£'000	£'000	£'000
Future cost of pay awards	1				
- Non Teachers		1,800	3,600	5,400	7,200
- Teachers		2,400	4,800	7,200	9,600
Pay and grading scheme	2	2,700	2,700	2,700	2,700
National Living Wage – own pay bill	3	700	2,400	2,400	2,400
National Living Wage – contracts		1,000	2,000	3,000	4,000
Increase in Pension Costs	4	1,700	3,400	5,100	5,100
Increased Teachers Pension costs	5	0	1,100	1,100	1,100
Cumulative contract inflation	6	1,000	2,000	3,000	4,000
Capital charges – existing	7	1,500	3,250	5,000	5,000
Capital charges - new scheme aspirations	8	0	1,500	3,000	5,000
Use of General Reserves	9	0	0	0	0
Use of Insurance Reserve	10	0	0	700	700
Demographic and Service pressures	11	3,000	6,000	9,000	12,000
Proposed targeted investment in services (EOTAS)	12	300	300	300	300
Mid and West Wales Fire authority Levy	13	300	800	1,400	1,900
Council Tax Support Scheme	14	1,300	2,300	2,800	3,300
Passported through AEF to services	15	6,076	6,076	6,076	6,076
Foster allowances - full year effect	16	700	700	700	700
Adult Services pre-existing baseline pressures from 2017-18	17	3500	3500	3500	3500
Total known pressures		27,976	46,426	62,376	74,576
Aggregate External Finance reduction	18	277	4,700	10,800	16,800
Rebase of External Finance	19	-6,076	-6,076	-6,076	-6,076
Total Savings Requirement		22,177	45,050	67,100	85,300

Notes:

1. *The pay award figures represent a forecast increase of 1% for the period of the MTFP for non-teachers, 2% for teachers.*
2. *Reflects the estimated costs of incremental pay progression in respect of those that gained from the implementation of the Council single status pay and grading scheme in April 2014. It is important to note that no allowance has been made for any additional costs which may arise due to the appeals process which at the current time are assumed to be **met from within Departmental budgets**.*
3. *Assumed increases due to implementation of National Living Wage - will affect contract prices and lower end of own pay scale - national spinal point currently being reviewed*

4. *The Year 2 and 3 costs arising from the triennial revaluation of the local government pension scheme effective from 1st April 2017. The provisional assumption is an effective stepped 1% increase each year to overall costs.*
 5. *The Teachers' Pension Scheme (TPS) increases in 2019/20 due to a reduction in the discount rate from 3% to 2.8% per HMT - TPS rises from 16.48% to just over 18%.*
 6. *Reflects the assumed minimum cumulative effect of contract inflation.*
 7. *The additional estimated borrowing costs as a result of the current Capital programme together with potential increases arising from externalisation of borrowing due to cashflow requirements.*
 8. *The initial additional estimated borrowing costs for the delivery of the major aspirational capital programme.*
 9. *The assumption at this early point that there will be no use of the General Fund reserve to support the 2018/19 and future budget.*
 10. *The 2017/18 budget report agreed an annual take from the insurance reserve for three years, this has now been further extended for two more years, after which this money can no longer be assumed available and alternative funding will need to be identified.*
 11. *Assumed Demographic and Service pressures mainly around Schools and Adult and Children's Services.*
 12. *Second year of agreed pressure for Education other than at School Service.*
 13. *Estimated Fire Authority Levy increase – the final figure won't be known until January/February.*
 14. *Reflects the assumed cost of Council Tax Support Scheme costs based on Council Tax increases as a planning assumption only at this stage as set out previously in the medium term financial plan.*
 15. *Reflects specific funding in the settlement for transfers, mainly for the waste element of the single revenue grant, the Welsh independent living grant, social care workforce grant etc.*
 16. *Foster allowances – the full year effect of previously agreed harmonisation of foster allowance rates with neighbouring authorities.*
 17. *Existing 2017-18 budget overspend pressures in Adult Services, which are expected to continue, and which need to be addressed as part of base budget.*
 18. *Reflects results of the provisional local government finance settlement for 2018/19 (-0.1%) and provisional guideline for 2019/20 (-1.5%), and assumes a reduction of 2% for future years.*
 19. *The starting position has been uplifted for the £6.076m transferring from specific grants to block grant.*
 20. *The exemplified savings target of £85m shown in Table 1 is indicative of the scale of savings required and will be revised as the 3 year MTFP progresses.*
- 4.3 Over recent years the Council has consistently prioritised the **delegated schools budget**, previously meeting its guaranteed funding requirement over a five year period. There is now no ongoing ministerial protection or funding guarantee so any decision over schools funding is a local one to

be made by Cabinet and ultimately by Council, having due regard to any budget consultation responses received.

- 4.4 With respect to the Current and Future **Capital Programme**, it is clear at the present time that future support from the Welsh Government in respect of general capital grant and supported borrowing on an annual basis is likely to remain severely curtailed.
- 4.5 The indicative allocation for 2018/19 in respect of both the above elements, at just over £10m, is insufficient to meet the current budgets allocations to cover core commitments as in **Table 3** below:

Table 3 – Capital Allocations for 2018/19 assuming spend maintained

	£m
Welsh Government funding	10.3
Allocation - property and highways maintenance	-7.4
Disabled Facilities Grants & Improvement Grants	-5.2
Annual Contingency budget	-0.6
<u>Shortfall</u>	<u>-2.9</u>

- 4.6 The remaining capital programme (including improvements to schools) is heavily dependent on future capital receipts and to that extent any shortfall in receipts is likely to require an increase in unsupported borrowing to balance the funding for the agreed programme.
- 4.7 Any rise in borrowing has a detrimental effect on future revenue funding, and thus on future generations, and has to be viewed in the light of the current projected reductions in external grant.
- 4.8 As such, it is inevitable that the future capital programme will have to be subject to regular review and will be dependent on receipt of specific grant and/or the availability of excess capital receipts.
- 4.9 The currently approved four year capital programme assumes additional unsupported borrowing of some £58m. Reduction of the core items above (4.5) to levels of Welsh Government funding could reduce the level of unsupported borrowing to approximately £49m. Consideration will have to be given to further remodelling of the existing planned capital programme if this level is to be reduced further.
- 4.10 In particular, and in direct contrast, further detailed consideration will also have to be given in respect of likely future commitments to, and funding options for, the second phase of the proposed Schools improvement programme, investment in the City Centre and funding requirements which will flow from the Swansea Bay City Region proposals. All of which will benefit not only current, but future generations. The initial impacts of new additional unsupported borrowing are reflected in Table 2 above, but are

ultimately expected to peak at nearer an additional £14m per annum over the longer term (by around 2025-26).

- 4.11 Given the limited revenue resources and the scale of the new investment ask over the extended medium term for new capital and the benefits to be felt by future generations the Section 151 officer considers it appropriate to review all options around changing the Council's Minimum Revenue Provision policy both for past and future investment. This has the potential to reduce the revenue costs in the medium term and increase them longer term, but crucially better match the future costs to the future benefits of that investment. This is entirely in line with the principles of the Well-being of Future Generations Act.
- 4.12 This is especially pertinent given much of the investment is on a City Region basis and the three other Council's in the region have already changed their MRP policies. A full report to Council reviewing the MRP policy will be brought to council during 2018-19 setting out the section 151 officer advice for Council to make a determination.
- 4.13 A report on the options for reprioritising the capital programme and/or increasing capital receipts, including the sale of strategic assets, will be brought to Cabinet in February 2018 as part of the budget process.
- 4.14 It should also be noted that whilst there is an assumption that any additional borrowing costs in relation to the Schools' capital programme could be funded via the delegated budget in the absence of Capital Receipts this is not reflected in current budget proposals (i.e. they are currently predicated to be funded by the Council as a whole).

5.0 Sustainable Swansea – Budget Proposals

- 5.1 Budget proposals to meet the current savings requirement for 2018/19 consist of the following elements:
- Continuation and development of service delivery savings
 - Commissioning review identified savings
 - Other elements of the *Sustainable Swansea* Delivery Programme approved by Cabinet particularly around cross cutting themes
 - Cash increase in Schools Delegated Budgets
 - Targeted investment into both Adult Services and Foster Allowances
 - Invest to Save proposals

Each of these categories are addressed below.

Funding changes in the settlement passport through to services

- 5.2 The following specific sums have been provided for in the settlement and are intended by Cabinet to be passported fully through to service budgets.

Table 4 – funding passported in the settlement 2018/19

		£'000
2018/19	Waste element of the Single Revenue Grant	2,516
2018/19	Welsh Independent Living Grant	1,222
2018/19	Social Care Workforce Grant	1,500
2018/19	Looked After Children	568
2018/19	Carers' Respite Care Grant	237
2018/19	Social Care for Prisoners in the secure estate	33
2018/19	Total transfers in	<u>6,076</u>

Further Service pressures

5.3 Further service specific pressures have been identified in respect of:

- Increased National Non Domestic Rates costs due to rating revaluations
- Continuation of the waste vehicles replacement programme
- Increase in transportation support to increase capacity to cope with current and future demand
- Temporary loss of rental income
- Pressures in Child and Family Services
- Future investment needed for mitigation of demand for Education out of County provision
- Demographic provision for schools (increased future pupil numbers)
- Increased finance support costs in relation to increased capital and pensions support
- Baseline provision for items currently funded by the contingency fund
- (including increased Coroners costs, Members environmental improvements, Deprivation of Liberty Safeguards and Public Service Board support)
- Additional funding for digital inclusion and organisational development

Service investment

5.4 Service investment requirements have been identified in respect of:

- Provision of teaching facilities and support in respect of Education Other than at School (EOTAS), this was identified and agreed for 2017/18, increased further funding was identified for 2018/19 as well.
- Costs of harmonising foster allowances with neighbouring authorities
- Adult Services pre-existing baseline pressures from 2017-18. These have been reported as in-year pressures during 2017/18.

- £1m a year for four years will be provisionally set aside in an earmarked reserve to help deliver, an assumed successful, bid to host UK City of Culture 2021.

Service Savings

5.5 Service investment requirements have been identified in respect of planned savings for 2018/19 resulting in a position as set out in **Table 5**:

Table 5 – Review of Planned Savings 2018/19

	Proposed savings 2018/19 £'000
Resources	3,474
Place	3,318
People – Poverty & Prevention	591
People - Social Services	6,258
People - Education (excluding schools)*	906
Cross Cutting Items	2,455
Total	17,002

*Schools savings and pressures fall entirely to the delegated budgets and are shown separately

5.6 **Sustainable Swansea**

As set out in section 2 above, through *Sustainable Swansea*, the Council is committed to changing the design and delivery of services and to a fundamentally different approach to demand management and early intervention.

In particular, the Council has embarked on a series of commissioning reviews across all services and the results of a number of those commissioning reviews have been presented to Cabinet and agreed over the past few months.

Outcomes of further commissioning reviews are expected on a recurring basis and, where specific outcomes require, full consultation and engagement take place before any actions are delivered.

It is anticipated, in line with the principles previously established, that where outcomes from reviews are presented then consultation and action

to implement will be undertaken on a rolling basis outside the normal budget cycle.

5.7 The previously agreed programme of Commissioning Reviews is as follows:

Phase 1
Culture and Leisure
Business Support
Non School Cleaning
Waste Management
Domiciliary Care
Day Care
Residential Care

Phase 2
Corporate Building & Property Services
All Council Catering
Special Education Needs/Disabled Children
Highways & Transportation
Parks & Cleansing
Housing, Non Housing Revenue Account & Public Protection
Planning Services
Remaining Education Services
Remaining Social Services

5.8 These proposals are fully delivered within the context of sustainable Swansea and can be alternatively summarised in **Table 6** as follows:

Table 6 – Sustainable Swansea Delivery Programme Proposals 2018/19

	Savings	Savings 2018/19 £m
<i>Savings type</i>	Workforce	2,316
	Other spending	6,059
	Income	4,603
	Mixed (workforce, income, other)	4,024
		17,002

5.9 For delivery purposes, all proposals that are approved, after considering the outcome of consultation and Equality Impact Assessments, will be combined into a single matrix showing the Strand Savings alongside the Head of Service accountable for delivery.

Schools' Delegated Budgets

- 5.10 The indicative savings assessments set out in Table 1 at 3.6 above and Appendix B, show that it is inevitable, given the scale of reductions required within the one education budget, that ongoing consideration will have to be given to the current level of schools' delegated budgets.
- 5.11 Budget movements can be viewed in two ways:
- Actual cash increases in levels of funding provided to Schools
 - Real terms reduction in Schools funding, taking into account known spending needs
- 5.12 For current consultation purposes it is intended that there will be a proposed 1.5% (£2.2m) increase in schools core funding (excluding Pupil Deprivation Grant and Post 16 funding changes which comes separately from Welsh Government) which is a much better position than the 0.1% decrease in this Council's funding from Welsh Government.
- 5.13 However, it is clear that a number of budget pressures detailed in Table 2 in Section 4.2 of this report include pressures that will fall directly to the delegated budget. These are estimated as:-

Table 7 – Main pressures on Schools delegated budgets

Identified budget pressure	2018/19
	£'000
Schools pay award	2,400
Share of increased LGPS costs	300
Demographics (increased pupil numbers) and other cost pressures (e.g. non domestic rates)	1,000
Total	3,700

Cabinet will have to consider what actual overall funding is proposed in respect of the Schools delegated budget following consultation with all head-teachers at a meeting on 13th December 2017. This will be presented back to Cabinet as part of the overall consultation report

There is no ministerial funding guarantee for schools implicit in the 2018/19 provisional revenue settlement. The initial proposal to fund £2.2m of increased costs (around 60% of estimated total costs) is a matter for member local choice and has to be taken in the context of certainty of reductions in other Council budgets to pay for any increase, given the overall cash reduction in the settlement.

There is an estimated potential further cash increase due to this Council in the final local government settlement, following the UK government budget announcements, of between £1-1.5 million (not guaranteed until Welsh Government completes its deliberations on budget priorities).

Recognising previous policy commitments, it is also intended that any general cash increase in the final settlement, once confirmed, will also be passported through as targeted additional investment in the schools delegated budgets. If this is in line with funding expectations then it is possible that the final cash figure for schools could fully fund all main pressures for 2018-19.

It is recognised that even with that potential level of investment that schools face significant pressures in the medium to longer term. To assist schools further Cabinet intends that they will also have equal and full access to the Council's Restructure Reserve and for the first time, the Contingency Fund. Whilst such sums are finite, they do afford opportunities to target investment where needed and to facilitate further transformation and potential invest to save opportunities within and across schools. Further details will be developed in discussion and co-production with schools.

Total Proposals

- 5.14 The total net savings across the areas outlined above are shown in **Table 8** below:

Table 8 –Proposals for 2018/19

Savings	Net Savings £m
Service Savings	17,002
Reduced contributions to Reserves	646
Reduction in base AEF	-277
Council wide pressures	-14,700
Service pressures accepted	-4,114
Service bids proposed	-4,500
Shortfall in meeting the Total Savings Requirement	-5,943

- 5.15 The detailed proposals are set out in **Appendix C**. Subject to Cabinet approval, consultation will commence on the proposals, as appropriate, with staff, Trade Unions, Schools' Budget Forum, residents, affected groups and partners, alongside Equality Impact Assessments (EIAs).

Other Savings and Funding Options

- 5.16 The current total of all savings proposals for 2018/19 is £17.002m, against the current total requirement of £22.177m. Work will continue over the

next two months up to Cabinet in February 2018 to assess a range of other options. This is necessary because:

- Some proposals may not be approved following the outcome of consultation and Equality Impact Assessments
- Additional savings are required as a contingency against non delivery of some savings in year
- Additional savings are required for future years

5.17 This assessment will include a review of other service savings and our policy on Council Tax. The current level of the remaining savings gap is entirely consistent with council tax levels likely needing to be near the upper end of any permissible increase, i.e. 5%.

6.0 Assessment of Risks and Uncertainties

6.1 As in previous years, the budget proposals as presented must be viewed in the context of the ongoing risks and uncertainties that the Council faces during 2018/19 and beyond:

6.2 These currently include:

- a) **Equal pay claims:** The risk at the present time is residual.
- b) **Pay and grading appeals:** it is assumed, as in previous years, that costs arising out of pay and grading appeals will be met from within Directorate approved budgets and schools delegated budgets where appropriate.
- c) **Specific grants:** It is likely that, based on experience in 2017/18, the Council will suffer from significant attrition in terms of specific grants received from Welsh Government and other public bodies. It remains the case that where such grant reductions occur they will require specific service cost reductions in addition to any savings targets identified above.
- d) **The savings proposals** for 2018/19 and beyond are predicated on clear and decisive action being taken to deliver wide-scale transformational change. This will require robust implementation, monitoring, review and if necessary enforcement of savings proposals.
- e) **The timing** of Welsh Government announcements on both core and specific grants means that uncertainty will remain until the final period of the budget setting process.

7.0 Consultation and Engagement

7.1 In previous years the Council has consulted on a number of issues including:-

- Specific budget proposals relating to budget reductions impacting on the following year's revenue and capital budget together with potential longer term savings to deliver the medium term financial plan.
- Consultation on shaping the Council's Wellbeing Objectives, as set out in the corporate Plan 2017-22.

7.2 In terms of Council priorities, consultation has been taken into account in deciding the new key priorities (Well-being Objectives and Improvement Objectives) which are as follows:-

- **Safeguarding** people from harm – so that our citizens are free from harm and exploitation.
- Improving **Education and Skills** - so that every child and young person in Swansea gains the skills and qualifications they need to succeed in life.
- Transforming our **Economy and Infrastructure** – so that Swansea has a thriving mixed use City Centre and a local economy that will support the prosperity of our citizens.
- **Tackling Poverty** – so that every person in Swansea can achieve their potential.
- **Transformation and Future Council** development – so that we and the services that we provide are sustainable and fit for the future.

7.3 In terms of the current consultation it is not intended that we repeat the consultation exercise on overarching Council priorities at this time. Likewise we will not consult again on matters that are merely a continuation of existing good practice, or previously agreed plans, such as our continued successful implementation of the Safe Looked After Children reduction strategy, or where there is more detailed consultation, following the findings of our commissioning reviews.

7.4 However, as in previous years, the Council will undertake a full consultation on proposals that will affect the public in general or specific sections of the Community.

7.5 It is essential that in agreeing to consult we take into account the following:-

- Under the Public Sector Equality Duty (Wales) we have to engage with protected groups to assess the likely impact of any policies or practices being proposed or reviewed.

- The Wales National Principles for Public Engagement include the expectation that engagement gives a real chance to influence policy, service design and delivery from an early stage
- Under the Gunning principles, consultation should be at an early stage with public bodies having an open mind, those being consulted have enough information to make an intelligent choice, enough time is provided for people to make an informed choice and consultation responses must be taken into account.
- The requirements and principles embedded in the Well-being of Future Generations (Wales) Act which should underpin everything that the Council does

7.6 Details of the settlement dates from Welsh Government detailed elsewhere in this report highlights the extremely difficult timetable the Council faces in setting its budget proposals.

7.7 In terms of consultation, the Council intends to fulfil its obligations by:-

- Undertaking a **Public Survey**. Specific budget proposals and those relating to the Commissioning Reviews will be included in the public survey that will be available online and in hard copy format at venues across the City and County.
- **Consultation with specific groups**. We will consult a number of Groups including children and young people, groups with protected characteristics and organisations such as Community Councils.
- **Service specific consultation**. Services will carry out their own consultation on proposals that only affect a small or specific group of people rather than the wider public consultation.
- **Staff roadshows**. Cabinet Members will join Officers in engaging staff at meetings in December
- **Unions**. The Leader, Cabinet Members and Officers are due to meet Union representatives to discuss the proposals.
- **School Budget Forum**. Officers and Members will consult the form on proposals that affect schools.

In addition the Council will promote and communicate the consultation via website and Social media.

7.8 There will be on-going consultation during the forthcoming year as and when the individual Commissioning Reviews progress and develop their proposals for transforming services and helping to deliver contributions towards the overall savings requirement.

8.0 Staffing Implications

8.1 The Council, working in partnership with Trade Unions, succeeded in largely avoiding compulsory redundancies as part of the implementation of the budget savings for 2017/18. This was achieved by a continued flexible policy on redeployment and a proactive approach by all parties. The clear intention is to build on this approach for 2018/19 and to look for other ways of avoiding compulsory redundancies.

8.2 However, a significant reduction in posts in 2018/19 will be unavoidable, given that the Council spends around 40% of its overall budget on employees (significantly more in some Service Areas). It is important, therefore, that the Council is open about the potential for compulsory redundancies in 2018/19 and beyond given the increased level of savings and the reduced scope for voluntary redundancies.

8.3 Notwithstanding the scale of the challenge, in line with the Council’s current policy, every effort will be made to minimise compulsory redundancies. Management action includes:

- *Tight management of vacancies so that we manage the deletion of posts via natural wastage over time*
- *The use of fixed term appointments where a post needs to be covered*
- *Stopping the use of agency staff unless a clear business case can be made*
- *Redeployment and retraining where ever possible*
- *Further encouragement of staff to consider ER/VR options, including bumped redundancies*
- *Encouraging staff to work flexibly eg: reduce hours or job share*
- *Flexible retirement*

8.4 The groups of staff likely to be most at risk (no options can be ruled out at this stage) are those affected by service savings, those in management/supervisory posts and those employed in business support functions. The latest estimate (**work on this is continuing and the number is likely to increase**) of the impact of the current proposals on total staffing numbers for 2018/19 is set out in **Table 9** (shown as Full Time Equivalents (FTEs))

Table 9 – Impact of Savings Proposals on FTEs 2018/19

		FTEs
Service Saving Proposals		
	Corporate Services	17
	Place	20
	People	11
	Total	48

8.5 The Council will need to consult with Trade Unions about the 2018/19 savings proposals and the likely impact on staff; in particular, the

management of change and selection criteria where posts are at risk of redundancy. It is a legal requirement and incumbent upon the Council to commence formal negotiations with the Trade Unions to seek to avoid the need for such redundancies, to consider alternatives and to seek to reach agreement on the selection process for redundancies, should we get to that position. This is in line with the requirements of Section 188 (1) of the Trade Union and Labour Relations (Consolidation) Act 1992 (as amended). This is on the basis that these proposals could affect more than 100 employees and that the period of consultation will be for a minimum of 45 days.

8.6 The Council is committed to continue to work closely with Trade Unions to minimise the number of compulsory redundancies.

8.7 Reflecting the principle in the MTFP stated earlier in this report, consultation will be undertaken on a rolling basis outside the normal budget cycle, as the outcomes from commissioning and other reviews are presented to Cabinet. Consequently, in some Service Areas, it is not possible at this time to give details of the precise impact on staff and the figures quoted are, therefore, overall estimates. The regular liaison meetings with Trade Unions will be used to provide more detail when this becomes available as future options are agreed.

9.0 Delivery – “Decide and Do”

9.1 Delivery of the Budget strategy and Savings Programme is clearly critical. If this is not given the right attention savings will not be achieved. This requires a clear understanding of the organisational requirements to deliver as set out in *Sustainable Swansea*.

Deliverability of Savings

9.2 In parallel with the consultation process, we are undertaking a robust appraisal of all options for savings to ensure:

- They are deliverable
- We understand the impact
- We have assessed the risks and how these can be mitigated

Subject to the above, we will adopt the principle of “decide and do” in terms of a pragmatic approach to the implementation of proposals.

9.3 The Corporate Management Team has oversight of the programme management arrangements for the Savings Programme. This includes a sponsorship role for Directors, supported by a wide range of Heads of Service and Senior Managers from every part of the Council and project support.

Timeline

9.4 The remaining timeline for the Budget process is set out in **Table 10** below.

This timetable is effectively being driven by the dates set for the Autumn Budget by the Chancellor of the Exchequer which has impacted on the ability of the Welsh Government to determine its final detailed budget proposals for 2018/19.

Table 10 – Budget Timetable

13 th December 2017	Initial consultation with Schools starts	School Budget Forum
14 th December 2017	Cabinet	Approves budget proposals for consultation
14 th December 2017	Consultation commences	A variety of means will be used
26 th January 2018	Consultation closes	Report will be produced on consultation responses
January 2018	Scrutiny	Review of Cabinet proposals
8 th February 2018	Special Cabinet	Reviews feedback from consultation and recommends Budget
22 nd February 2018	Council	Approves Budget and sets Council Tax

10.0 Next Steps - A Sustainable Swansea – fit for the future

10.1 As stated above, the scale of the financial challenge requires the Council to adopt a radically different approach to previous years. An approach that focuses on:

- *The core future purpose of the Council*
- *The transformation of services and the model of delivery*

- *Greater collaboration with other councils and local organisations, community groups and residents*
- *And, above all, sustainable solutions with prevention at its heart*

This ambition is set out in *Sustainable Swansea – fit for the future*.

10.2 A probable overall cut in spend of 20-30% (more in some areas) over the next few years cannot take place without a fundamental review of the future purpose and shape of the Council to 2018 and beyond. This is particularly important because:

- The Council has clear aspirations and policy commitments to improve outcomes for residents that will need to be delivered alongside savings
- We will also need to consider the requirement for further investment in prevention in social care to remodel the projected future demand for services
- This requires a debate about innovation, service transformation, and doing things differently
- And we must collaborate with others to achieve this
- All this has to be considered alongside a potentially ambitious Capital Development programme with increases in associated borrowing costs
- To ultimately deliver the well-being of future generations.

10.3 Consequently, the current debate with residents and partners, as well as inside the Council, about the Core Purpose of the Council, what residents and communities can do for themselves and the Future Shape of the Council is fundamental.

11.0 Equality and Engagement Implications

11.1 The *Sustainable Swansea* Engagement Plan is outlined in section 7 above.

11.2 In line with legislative requirements, a fundamental part of our approach is to assess the impact of proposals on residents and the community. As in previous years, the corporate Equality Impact Assessment (EIA) process continues to be followed for all new proposals. EIA reports will not be finalised until engagement activities have been completed so that the findings can be taken into account. They will then form part of the decision making process. Proposals that were previously screened (and/or subject to a full EIA report) are being re-visited by managers to ensure that:

- The information is still accurate and relevant and up-to-date
- Proposals comply with the Well-being of Future Generations (Wales) Act
- Proposals comply with the Welsh Language Standards

11.3 Cabinet and Council will receive a full report on the feedback from the consultation and outcomes of the EIA process in February 2017 so that they can be fully taken into account before any decisions are made.

11.4 There will also be full engagement with the Council's Scrutiny Committee.

12.0 Financial Implications

12.1 This report sets out the Council's projected budget position for 2018/19 and sets out proposed savings to meet the projected shortfall currently estimated at £22.177m.

12.2 It is a legal requirement that Council sets a balanced Revenue Budget for each financial year and it is essential that detailed plans to address projected shortfalls are developed and, more importantly, delivered over the coming years.

12.3 Progress with achieving savings agreed as part of the 2017/18 budget is monitored each month by the Corporate Management Team and the Budget Performance and Review Group, with quarterly reports to Cabinet.

13.0 Legal Implications

13.1 Specific legal duties relating to consultation and the setting of the budget are set out in the main body of the report.

13.2 Any consultation must be meaningful and be taken into consideration when making any decision.

13.3 The council has a public sector equality duty under the Equality Act 2010. In order to comply with that duty it is essential that Equality Impact Assessments are undertaken where appropriate in relation to budget proposals and any impact is considered.

Background Papers: None

Appendices: Appendix A – *Sustainable Swansea – fit for the future:*

Transformation Programme 2018-19

Appendix B – Statement of Medium Term Budget Priorities

Appendix C – Savings Proposals 2018/19

SUSTAINABLE SWANSEA – FIT FOR THE FUTURE

Transformation Programme 2018-19

The Sustainable Swansea – Fit for the Future Programme

The Sustainable Swansea Programme is the Council's transformation plan across the whole organisation. Planning started back in 2014 with implementation running from 2015 through to 2022. The programme is the Council's proactive response to pressures, mostly in the external environment, to ensure Swansea communities have the right support and remain sustainable in the long term in the context of reducing budgets and rising demand for public services.

A large part of the Sustainable Swansea programme involves a change process called 'Commissioning Reviews'. This is a 22 week process involving in-depth analysis, stakeholder involvement / feedback, benchmarking, and an options appraisal. It is the intention for every service to go through a Commissioning Review in the life of the programme. The Council developed a toolkit to support services through the process.

Importantly, since 2015:

- **17 service area commissioning reviews** have been undertaken (15 completed) and most of these areas are now implementing decisions from their options appraisals.
- The Council has **achieved £60m of savings** through a range of measures and projects including Commissioning Reviews.

The table below highlights some of the main areas of delivery through Sustainable Swansea to date. The expected benefits, outcomes and impact of these projects were defined up front however, it takes time for these to be fully realised. Where benefits are already emerging these are also listed:

<p>Commissioning Review Process and Modernisation of Services</p>	<ul style="list-style-type: none"> ▪ 17 Commissioning Reviews delivered (11 are now implementing their three year plans) ▪ Staff are expanding digital ways of working and developing online services, making it easier for residents and customers to get what they need and encouraging a shift from high to lower cost transactions. ▪ 31 request forms including automated payments ▪ Online payments of over £108,741 reducing back office finance functions ▪ BACs and Card payments increased ▪ 26% of bulk waste requests are now online reducing processing time within the contact centre ▪ Hanging Basket ordering system online has increased sales to wider customer base with £13.6k taken in online sales (parks and cleansing) ▪ The Agile working Strategy has enabled new ways of working and the subsequent release of satellite offices, delivering in excess of £1m per annum revenue savings and £3m in capital receipts. The Council is now reviewing new ways to utilise space in public buildings, to reduce silo working, improve collaboration and agile working, as well as saving money and generating income. Plans to release 2-3,000 square metres of office space within the Civic Centre could improve the way the Council works and generate potential income ▪ Flexible working is reducing staff travel. Through the introduction of new technologies, staff can now work remotely including from home. As a result business travel mileage has dramatically reduced.
<p>Service Commissioning Review Implementations</p>	<ul style="list-style-type: none"> ▪ Residential and Outdoor Centres – The sale of Dan y Coed has completed. Historically only an Education Service, the new business manager has: enhanced the list of services for income generation, retained the historical service for schools, is developing a new online presence including online booking, has introduced deposit systems and re-profiled roles and structures to fit the future service model. A feasibility and bid has been submitted to develop the next phase of the model to maximise income. ▪ Waste Management – Three recycling centres have been developed including challenge stations for residual waste to complement the ‘no black bag’ policy. The impact has been to raise awareness of recycling whilst also delivering a dramatic reduction in tonnage collected (approx 10,000 tons to 2,000 tons). The Service was recognised nationally for this innovation, winning the iESE Award, LPG Awards and was shortlisted for a number of APSE awards. The new pink bag initiative is rolling out and recycle rates are on target for 64% in 2020, the Council is currently performing at 63.7%

- **Business Support** – This project delivered many changes across three phases including:
 - Implementation of the Service Centre and Transactions Team which incorporates the employee services helpdesk.
 - Rollout of end to end process changes with regard to purchasing and paying suppliers for goods and services, moving this all online.
 - Significant improvements in self-service support for officers and managers online.
 - The services which are available to the public through the Contact Centre have been increased to include Street Lighting, Parks & Leisure, Parking Services, and Cashiers.
 - Online forms have improved both the speed and efficiency for the public and increased business intelligence capability within the Council.
 - Strategic support for the Member-led approach and cross-party Policy development has implemented
 - A consistent approach to Business Support across the Council is progressing with the development of Business Support ‘mini hubs’ within the People and Place Directorates. This will enable corporate consistency whilst being tailored to Service needs.
- **Cleaning** – Phase 1 and Phase 2 of site assessments have been completed resulting in: a reduction in hours for some cleaning staff, new output specifications being introduced at sites, performance and monitoring quarterly, and new team working helping with the management of workforce. Income generation opportunities are now being explored alongside electronic timesheets.
- **Corporate Building & Property Services** – Re-profiling and structures have been implemented, the Service now delivers the kitchen and bathroom programme in-house. This has resulted in the recruitment of 40+ trades personnel some having a multi-skilled discipline and not a specified trade ensuring the workforce has sustainable skills. 14 new apprentices have joined the service. The new homes build project has also been completed. The service is currently adopting mobile working.
- **Family Support** – Launch of the Domestic Abuse Hub was implemented in July 17.
- **Adult Services** – The Social Services delivery model was agreed in Nov 17 and will feed into the new Services in the Community cross-cutting work. Transformation of domiciliary care and residential care are part of the wider Adult Services Improvement Plan.
- **Public Protection** – Programme of process mapping and analysis across public protection started in Nov 17 and will be completed by January 18.

	<ul style="list-style-type: none"> ▪ City Regeneration and Planning – Recommendations from the commissioning review are being implemented including implementation plans for a new model and mobility hire services. ▪ Catering – A Business Development Officer analysing internal catering for income generation opportunities. Reconfiguration of the canteen facilities to be planned for early 2018 ▪ Cultural Services – In-house transformation completed as planned, this included full staff restructuring across operations and establishments ▪ Paid Access to services – Tendering for Leisure/Outdoor/Theatres and Brangwyn Leisure progressing as per the implementation plan. ▪ Culture Strategy and Outreach – Transformation underway as planned in areas such as parks letting schemes, creation of development teams, and commission of water safety charges review with the RNLI ▪ Highways and Transportation – Initial Integrated Unit works have been completed in 17/18, bringing together transport teams from across the Council. Further planning to be undertaken. The review is scheduled to be presented to Cabinet in January 18
<p>Future Council</p>	<ul style="list-style-type: none"> ▪ The Organisational Development Strategy has been developed and proposes a phased implementation over four years to ensure the Council’s workforce has the skills for the future. The work is underpinned by the principles of the 21st century public servant and 21st century Councillor developing people’s skills and behaviours alongside the Council’s culture. ▪ Workforce modernisation has focused on absence management this year in order to address sickness levels and increase productivity. The Council’s performance is improving and recently entered the top quartile across all Local Authorities in Wales however, further time is needed to see the true impact of this project. Further workforce modernisation projects are underway such as reviewing zero hour contracts. ▪ A Corporate co-production, communication, consultation and engagement strategy is in development. The new approach to co-production will be piloted with the Services in the Community cross-cutting project to ensure residents, businesses and other important stakeholders can be involved in shaping future community services ▪ A Commercial Strategy and plan is underway. A significant number of commercial projects have already been delivered within Services alongside a more commercial approach to procurement and contract management. This work is being fast tracked and increased to deliver budget proposals over the next four years.

<p>How Sustainable Swansea has impacted the Council's culture</p>	<ul style="list-style-type: none"> ▪ Feedback indicated the Commissioning Reviews had a positive impact on the workforce encouraging staff to 'think differently' about how and why the Council delivers its services ▪ The Commissioning Review process has in itself led to a significant culture change, with staff owning the process and being integral to the development of the solutions. The reviews have involved stakeholders at all levels including trade unions, Councillors, Scrutiny, and internal and external stakeholders. This has broken down silo working and led to significant financial and other benefits such as improved outcomes for residents and customers ▪ Demand Management – Delivered a Demand Management Strategy and Toolkit for staff, developing the skills of staff to help them identify and understand Service demand and resolutions. Techniques such as Systems Thinking have been used to gather important demand data for the Domestic Abuse Hub pilot, other areas that will be explored in the new cross cutting themes will be in Housing and the Food Safety team. ▪ In addition the co-production approach within social services has seen a change in how service users engage with the Council. This approach of service user involvement will develop with the corporate co-production approach.
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The programme is reviewed and adapted annually as result of:

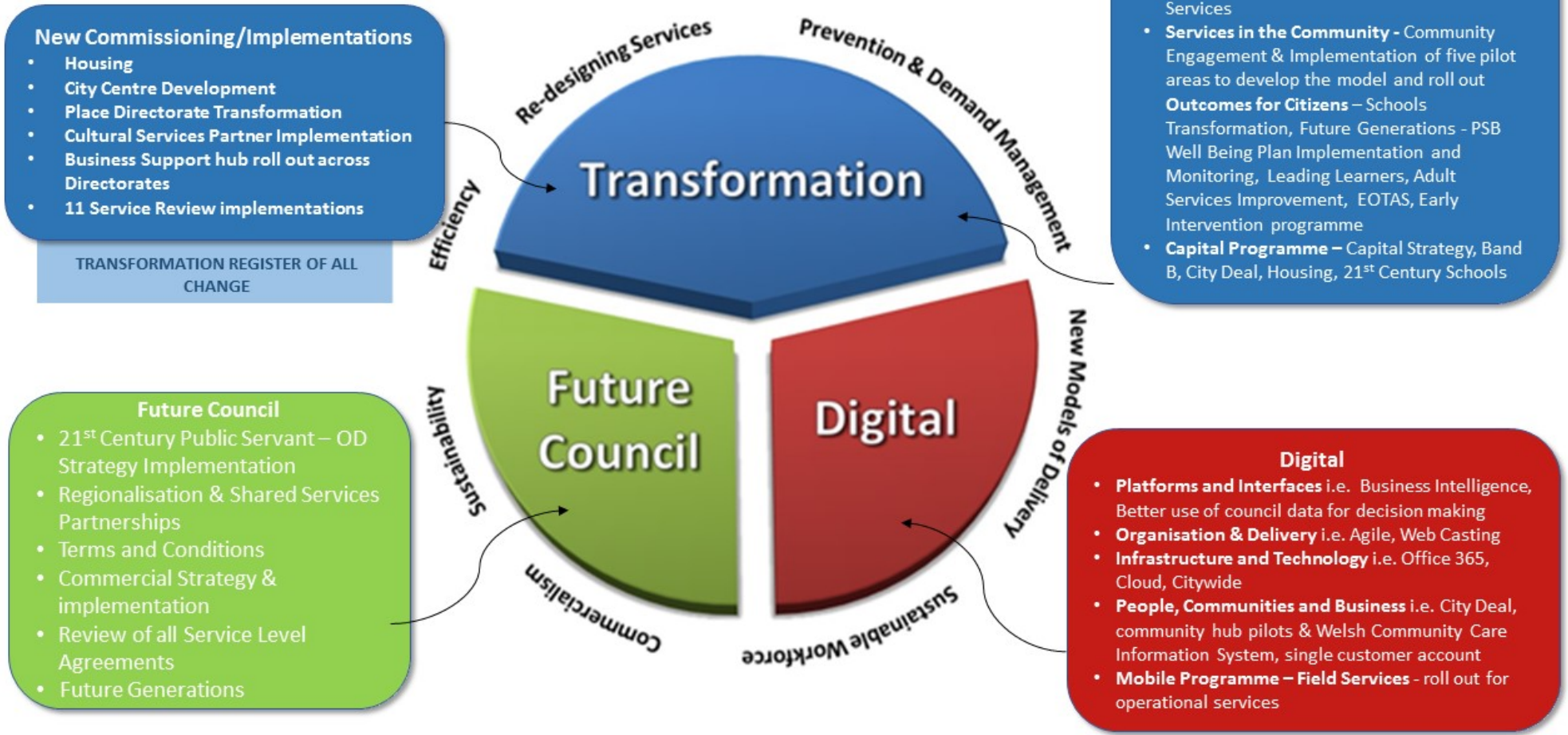
- Projects completing as planned
- Changes in the environment including new legislation
- New pressures or challenges, requiring an innovative approach
- Annual budget setting to ensure that transformation priorities and resources are aligned to savings targets.

The Sustainable Swansea model below has been updated and adapted to align with this MTFP. The three segments: Transformation, Digital and Future Council are the **priorities for the year** so that resources can be targeted to deliver both change and financial targets. Around these priorities are the **principles of the programme**: These act as the 'lens' through which staff can continuously review working practices and plan for change.

The three priority areas have been changed in the following ways:

- **Transformation:** Last year's report highlighted the shift from individual Service Commissioning Reviews to a cross-Council approach, bringing Services together around common themes. The four themes have been developed alongside key stakeholders. In addition the programme will complete the remaining commissioning reviews and support their implementations as well Directorate specific changes. The Council also has a Transformation Register which tracks and monitors all changes across the organisation and ensures a Team Swansea approach.
- **Digital:** This is the continued implementation of the Digital strategy with particular focus on implementing mobile and field working for operational services, supporting the infrastructure developments around City Deal and regeneration of the City Centre, further roll out of agile working for staff with new technology, and implementation of the all-Wales Community Care Information System for Social Services and Health.
- **Future Council:** Organisational development is a key priority over the next year to ensure the workforce has the right skills for the future and that staff, managers, and Councillors have a supportive development environment. The commercial strategy implementation is also a key priority in ensuring the Council has a sustainable model into the longer term. All this work is being undertaken in the context of growing regionalisation.

Sustainable Swansea – Fit for the Future



SUSTAINABLE SWANSEA – FIT FOR THE FUTURE

STATEMENT OF MEDIUM-TERM BUDGET PRIORITIES

PURPOSE

This paper sets out the Council's views on relative service and budget priorities in the context of the delivery of *Sustainable Swansea – fit for the future* and the Medium Term Financial Plan.

The statement has three objectives:

- *An indicative statement about future funding for services, together with an overall percentage reduction in spend over the next 3 years*
- *A high level statement for services about expectations for transformation and delivery*
- *Policy statements for each major service block setting out how the funding challenge will be met*

STRATEGIC CONTEXT

The scale of the financial, demographic and sustainability challenges facing Swansea require a radically different approach to the past. *Sustainable Swansea – fit for the future* sets out the Council's long term objectives for meeting these challenges and for transformational change for services, the Council and our relationship with residents.

The Council is also developing a revised Corporate Plan that sets out five top priorities for the future:

- *Safeguarding vulnerable people*
- *Improving pupil attainment*
- *Creating a vibrant and viable city and economy*
- *Tackling poverty*
- *Building sustainable communities*

The Council's overall aim is to protect frontline delivery of services as far as possible. However, whilst many things are important, not everything can be a priority. It is important, therefore - particularly in the current climate of significantly reduced resources - that we set out clearly our expectations on all services and relative priorities for funding.

FINANCIAL CONTEXT

We currently estimate that the Council will need to save around £54m over the next 3 years. This requires not only a strategy for transformation, which is set out in *Sustainable Swansea – fit for the future*, but also a clear statement of the expected impact of the reductions across the Council's major services.

SETTING INDICATIVE MEDIUM TERM FINANCIAL ALLOCATIONS

The Council is proposing indicative medium-term financial allocations following an assessment of our overall priorities and the financial context that we face.

The statement which follows is based on an assessment of services in relation to the following criteria:

- **Invest:** those Services where the Council will increase current levels of investment in order to:
 - Deliver our top priorities; and/or
 - Achieve significant reductions in future spend
- **Maintain:** those services where the Council will broadly maintain current level of spend in the medium term to:
 - Deliver our top priorities
 - Meet statutory requirements
 - Meet resident expectations
- **Remodel:** those services where the Council will remodel the current level of spend over the medium term:
 - Because these are lower priority areas
 - To contribute to the overall budget savings requirement

In setting financial allocations we have also had regard to the “gearing” effect of savings on services. In other words, if our current savings requirement of £61m over three years was applied, for example, just to Corporate Services (excluding Council Tax Reduction Scheme) and Place Services, the budgets for areas would be cut by around 75%. Consequently, other areas such as Education and Social Care also need to face some level of reduction over the next 3 years given the relative size of their budgets.

Based on the statement of priorities and having regard to the “gearing effect” when considering savings, the indicative 3 year saving/investment targets for each major block of services is set out in the table below:

INDICATIVE MEDIUM TERM FINANCIAL ALLOCATIONS

Service	Budget 17/18 £m	Percentage Reduction/Increase over 3 Years	Amount Realised £m
Schools	143.6	+1.5	+2.2
Rest of Education	21.1	-15	-3.2
Social Care – Child & Families	35.4	-15	-5.3
Social Care- Adults	68.4	-20	-13.7
Poverty & Prevention	6.1*	+5	+0.3
Place	50.8	-50	-25.4
Corporate Services	22.1	-50	-11.0
Total	347.5m		-56.1m

** Note that whilst this is the controllable budget for Poverty & Prevention, the Council spends **significantly more** on this area through the contribution of a wide range of other services*

This statement will form the basis of our future medium term financial plan, as well as individual service plans.

GENERAL PRINCIPLES FOR ALL SERVICES

There are a number of principles that apply to all the Council's services, regardless of the assessment of relative priorities. These are set out below.

Budget Principles

The Council has adopted a number of Budget Principles which underpin *Sustainable Swansea*:

<i>Everything is included</i>	<i>Increased income</i>
<i>Engagement</i>	<i>Different models of delivery</i>
<i>We will have less money</i>	<i>Supporting those at risk</i>
<i>Demonstrating efficiency</i>	<i>Evidence base</i>
<i>Cutting Red Tape</i>	<i>Sustainable outcomes/prevention</i>
<i>Full cost recovery</i>	<i>Personal Responsibility</i>

All Services must apply and be consistent with these Budget Principles.

All Services are also required to address these Principles as part of business planning and developing savings proposals.

Service Transformation and Efficiency

There are expectations upon all Services in relation to transformation and efficiency which must be met regardless of relative priority for funding:

Transformation	<p>All service must transform through a fundamental review of purpose, however services are commissioned, to:</p> <ul style="list-style-type: none"> • deliver better outcomes • develop a sustainable delivery model, fit for the future • remodel costs and secure value for money
Efficiency	<p>All services must continue to strive for efficiency, in particular:</p> <ul style="list-style-type: none"> • reduce management and other overheads • maximise opportunities for increasing income from charges, trading and external sources • reduce the cost of purchasing supplies and services • work with others to achieve better outcomes • look for opportunities for residents or community groups to take or share responsibility for services

APPENDIX C

HoS Budget	Proposal	Savings 2018/19 £'000
Corporate Services	Management review including all tiers, regional working and shared services, more digital working and 'mini business hubs' within other directorates	995
Corporate Services	Service Reviews and demand management across all areas of the Directorate	597
Corporate Services	Review and full cost recharge of Welsh Translation Service to users	160
Corporate Services	Review funding of union representatives	72
Corporate Services	Reduce budgeted council tax reduction scheme costs to same level as actual spend (demand led, varies annually)	500
Corporate Services	Working commercially across the Council on income / contract spend, prioritising resources as per strategy and plan	1,150
Adult Services	Management savings across all levels within Adult Services	762
Adult Services	Review of Community Alarm Service (separate consultation)	10
Adult Services	Implement preferred options as outcome of Commissioning Review leading to reduction of in-house beds	169
Adult Services	Review of day services eligibility (separate consultation)	110
Adult Services	Maximise Income for Local Area Coordination from partners	80
Adult Services	Implement preferred options as outcome of Commissioning Review	500
Adult Services	Introduction of prepaid cards to service users to minimise potential for direct payments to be used incorrectly	150
Child & Family Services	Leaving care accommodation costs to be aligned to maximise eligibility for grant funding	150
Education	School Meal Charges - full year impact of September 2017 5p increase	23
Education	Free breakfast costs - further review of support given	69
Education	Catering and cleaning services - further review of actual costs to achieve full cost recovery	95
Education	Corporate review of terms and conditions - school staff parking charges	150
Education	School Meal prices: further increases (5p / £2.30: Sept 18; 10p / £2.40: Sept 19; and 10p / £2.50: Sept 21)	40
Education	Robust management of demands on remaining severe and complex needs budgets	261
Education	Continuing managed savings through wider impact of implementation of new models of learner support	130
Education	Further reductions in regional improvements service ring-fence consistent with funding settlements	32
Education	Further assumed reductions in Education Improvement Grant matching funding requirements	11
Education	Ethnic minority achievement service - full recovery of eligible costs from external grant	40
Education	Further review of management posts in light of changing demands and capacity issues	55
Poverty & Prevention	Adult and community learning managed savings	80
Poverty & Prevention	Develop and spin out the Food not-for-profit Enterprise	70
Poverty & Prevention	Completion of Rights Respecting Schools Award	10
Poverty & Prevention	Reduce third sector funding via the Change Fund by 10%	25
Poverty & Prevention	Management savings	4
Poverty & Prevention	End the Enterprise Officers Contract and look for funding alignment opportunities	70
Poverty & Prevention	Joint commissioning opportunities for LGBT Youth Club provision (YMCA)	20
Poverty & Prevention	Reduce satellite youth clubs provision (Gendros, Montana, Morriston, St Thomas, Friendship House)	40

Poverty & Prevention	Reduction in investment in Early Years	47
Poverty & Prevention	Maximise grant funding and income opportunities	145
Poverty & Prevention	Management and staffing efficiencies	60
Poverty & Prevention	Alignment of Early Intervention and Family Learning provision	20
Corporate Building	Staffing and transport savings due to more efficient mobile working	200
Corporate Building	Reduced maintenance on a number of building assets assuming a number will have been rationalised (sold, transferred to community running)	100
Corporate Property	Implement preferred options of Commissioning Reviews for Corporate Property, Cleaning Services and Cultural Services	308
Corporate Property	Additional rental income , including Liberty Stadium	400
Corporate Property	Efficiencies achieved in mail contracts	60
Culture & Tourism	Implement cost recovery by charging schools/other public sector for education services at museums and galleries	21
Culture & Tourism	Reduced staffing and opening hours at the Grand Theatre	176
Culture & Tourism	Cease Grand Theatre printed programme and concentrate on digital only	20
Culture & Tourism	Grand Theatre and Brangwyn increased income	220
Highways & Transportation	More efficient and effective transportation across all Council activities	250
Highways & Transportation	Reduced staff mileage claims as a result of a more agile and digital workforce	200
Highways & Transportation	Efficiencies in management and maintenance of vehicle fleet provision and wider highways and transportation processes	120
Highways & Transportation	Swansea Marina increased income opportunities outside of actual mooring fees	25
Highways & Transportation	Sell park and ride spaces to other employers	20
Highways & Transportation	Increased infrastructure works on behalf of Housing Department. Investment in Housing assets presents significant opportunities.	20
Highways & Transportation	Disability Crossover budget - installing dropped kerbs at junctions. Future funding from member environmental improvement budgets	20
Highways & Transportation	Increased car parking charges, set to match demand patterns, including Sunday parking	100
Highways & Transportation	Enforcement of moving traffic offences (via new technology)Investment in new technology	30
Highways & Transportation	Increases in licensing charges	5
Place - Cross Cutting	Increased fee earning activity, assuming full cost recovery	750
Place - Cross Cutting	Senior staff savings	250
Waste Management & Parks	Seek community ownership/sponsorship of flower beds	25
Waste Management & Parks	Rationalisation of Playgrounds	30
All Services	Reduce sick pay expenditure	1,000
All Services	Reimburse only half of all staff professional fees	55
All Services	Reduction in earmarked reserves (contingency fund)	1,400

Savings Requiring Initial Investment

Adult Services	Review all Mental Health and Learning Disability packages of care, to ensure that they are fit for purpose and those eligible for health funding receive it (separate consultation).	500
Adult Services	Review all packages of care to ensure fit for purpose and effectively manage new admissions to residential and domiciliary care (separate consultation)	221
Adult Services	Targeted increase in recourse to direct payments as alternative to non-complex domiciliary care packages and complex care packages for Mental Health & Learning Disabilities (separate consultation)	500
Adult Services	Charging Policy and Annual Fee Increases	1,000
Adult Services	Investment in new posts to underpin the savings set out above	-564
Child & Family Services	Savings arising from the Safe LAC Reduction Strategy	3,000
Child & Family Services	Demand management ensuring Child & Family work only with those children with eligible needs requiring a Social Work intervention.	450
Child & Family Services	Implement the recommendation of the Family Support Commissioning Review and reconfigure in house Family support service.	200
Child & Family Services	Investment in new posts to underpin the savings set out above	-980
Economic Regeneration	Investment into Economic Regeneration following commissioning review with a specific focus on maximising external funding opportunities	-32
	Total Savings before council tax increase	17,002

Service Pressures

HoS Budget	Pressure	£'000
Corporate Property Services	Targeted increases in some NDR budgets	150
Corporate Property Services	Loss of Guildhall Law Court income	135
Waste Management & Parks	Replacement waste vehicles - leasing costs	237
Highways & Transportation	Investment in staff (3 FTEs) for improved highways and transport management	120
Waste Management & Parks	Increase in Member Environmental Improvement budget to £10k each per annum	44
Housing & Public Protection	Increased frequency of dredging the River Tawe	50
Child & Family	Continued support to ensure the continuation and transformation of Child and Family Services and the Safe LAC reduction strategy	2,000
Delegated Schools	Increased funding for schools to reflect demographic pressures (increased pupil numbers)	1,000
Corporate Services	Base line funding for services currently supported by contingency funding in 2017-18 (S151 cover, Deprivation of Liberties Safeguards and Public Service Board	177
Corporate Services	Support for digital inclusion and increased organisational development capacity	65
Legal, Democratic Services & Business Intelligence	Increased support for Coroners and Pathologists	136
	Total Service Pressures	4,114