



Report of the Section 151 Officer

Council - 3 March 2022

Medium Term Financial Planning 2023/24 to 2025/26

Purpose:	This Report sets out the rationale and purpose of the Medium Term Financial Plan and details the major funding assumptions for the period and proposes a strategy to maintain a balanced budget.
Policy Framework:	Medium Term Financial Plan and Budget Strategy
Consultation:	Legal, Access to Services, Cabinet Members and Corporate Management Team
Recommendations:	It is recommended that:- 1) The Medium term Financial Plan 2023/24 to 2025/26 be approved as the basis for future service financial planning.
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1. Introduction and Background

- 1.1. Service and financial planning continues to be undertaken against a backcloth of increasing service pressures and demand. Again this year there is the added pressure and uncertainty of the COVID-19 pandemic. This has affected short-term planning and is expected to continue to impact the budget in the medium term.
- 1.2. The Medium Term Financial Plan (MTFP) is an overarching strategy that:
- Covers three future years.
 - Forecasts future known additional spending requirements, likely resources and potential funding shortfalls.
 - Links to the Council's adopted strategy '**Swansea – Achieving Better Together**' as a means of addressing future budget shortfalls.

- Links to the Council's revised Corporate Plan, "Delivering for Swansea" and the delivery of our top 6 priorities.
- Has due regard to our duties under the Well-being of Future Generations Act 2015.

Future detailed Service planning will need to be undertaken within the financial assessments and forecasts contained within the Medium term Financial Plan.

- 1.3. **It is important to understand that the MTFP does not constitute a formal budget in respect of the period 2023/24 to 2025/26 and as such the indicative annual assumptions included both within the projected spending pressures detailed in Sections 2 and 3 of this report, and the potential funding detailed in Sections 4 and 5, will be subject to a full review and decision making process as part of each of the annual Revenue Budget and Council Tax setting decisions.**
- 1.4. Instead, the MTFP is intended to outline, in broad terms, the specific service and funding issues over the three year period and how the Council will, within its financial constraints, fund its priorities and achieve major service change and savings.
- 1.5. It is essential as a planning and review tool in order to assess, on an ongoing basis, base assumptions around service pressures and progress against delivery of savings.
- 1.6. The plan serves to highlight the trend for increasingly uncertain times ahead in terms of funding for this Council and Local Government in general, as well as the service pressures that the Council faces from rising demands and increases in demography, together with potential funding pressures arising from ambitious plans for capital development.
- 1.7. Importantly, it is essential that the MTFP is a 'living' document that is subject to regular review and revisions as more information becomes available and risks are updated. As such, it is anticipated that, along with close monitoring of the specific budget proposals and savings targets for 2022/23, further reports to Cabinet regarding the MTFP will be made as necessary. In particular, the Mid Term Budget Statement in the autumn of 2022 will provide a key update on the financial outlook and delivery of savings.
- 1.8. The MTFP is one of many documents that are produced in terms of financial planning and control. These include:-
 - The annual Revenue and Capital Budgets of the Authority
 - The annual HRA Capital and Revenue Budgets
 - The formal quarterly budget monitoring reports presented to Cabinet
 - The Mid-term Budget Statement intended to be produced each year as an aid to strategic review on progress
 - The Revenue and Capital Outturn Statements taken to Cabinet following year end

- The Statement of Accounts produced and approved by Council annually.
- 1.9. The MTFP is intended to form a logical flow from an assessment of forecast resources over the medium term through each step of a structured planning process for future years and as such it specifically details:-
- | | |
|-----------|---|
| Section 2 | Overview of financial planning environment 2023/24 – 2025/26 |
| Section 3 | Detailed spending and resources forecast 2023/24 – 2025/26 |
| Section 4 | Strategy to address future savings requirements |
| Section 5 | A summary of the Medium Term Financial Plan and Swansea – Achieving Better Together Strategy. |
| Section 6 | Medium Term Financial planning for Schools |
| Section 7 | Risks and issues surrounding the MTFP |
| Section 8 | An assessment of reserves |
| Section 9 | Legal and Equalities implications |

2. Overview of Financial Planning Environment 2023/24 to 2025/26

- 2.1. The Medium Term Financial Plan (MTFP) report considered by Council on 4th March 2021 included a service and financial overview. This was updated in the budget proposals report given to Cabinet in January 2022 and February 2022.

Economic Outlook and Prospects for Public Finances

- 2.2. The announcement of the provisional Revenue and Capital Settlement for 2022/23 has resulted in an overall cash increase of £33.943m in 2022/23 compared to 2021/22. There have been two transfers into the settlement in respect of Gate Fee Support for Food and Residual Waste (£0.102m) and a partial transfer in from the Social Care Workforce Grant (£0.395m). There is an increase of just under £33.5m in block grant after allowing for these changes. Whilst this is a much appreciated, substantial increase, it needs to be set in the context of the forecast cost of pressures faced by this Council – around £40m for 2022/23 alone.
- 2.3. The current economic climate continues to be uncertain, even more so at the moment, and the Welsh Government acknowledged in their letter to all Local Authorities that local government is facing significant pressures. There is and will continue to be uncertainty over the UK's relationship with Europe and the impact on Wales post Brexit as well as the on-going impact of the COVID-19 pandemic. It is still the case that the Section 151 Officer assumes the Welsh Government budget will be expected to reduce in real terms over the latter period to 2025/26 notwithstanding the short term boosts for the current and next year budget.
- 2.4. Of course, the level of Welsh Government devolved Block Grant is not the only determinant of Welsh Government support for Local Authorities. It is likely that further delegation and transfer of powers and rights from Westminster to Cardiff, including full devolution of matters relating to business

rates, together with further tax changing/raising powers, may impose greater or lesser financial risks to Welsh Government than is currently the case. There is also the fact that Welsh Government has to decide on its own cross-sectoral allocation of devolved funding to public services in Wales.

- 2.5. Whilst it is a very positive provisional settlement for 2022/23, there is no certainty that it can continue at such a relatively high level in future years and, in addition to possible real terms reductions in future core funding, the Council also has a wide range of service and demographic pressures which will inevitably impact on demand for services. Equally clearly, there is a potential for further UK Government announcements to impact on costs borne by the Council, particularly in respect of any changes to taxation. The clear example is of the changes to the National Living Wage, which will add around £1.1m to the Council's annual costs.
- 2.6. As mentioned above, a further complicating factor over the period of the MTFP involves proposals to devolve tax varying powers from Westminster to the Welsh Government. Whilst this notionally impacts primarily on individual taxation, potential devolution of National Business Rates (NDR) has the potential to impact directly on Local Authority budgets and risk. Latest proposals, for example, are to devolve the cost of welfare provision in Wales to the Welsh Government with all the risk regarding cost movement.
- 2.7. In terms of core revenue funding, the provisional Revenue settlement issued by the Welsh Government in December 2021 gave a detailed settlement level for 2022/23 only, however there was an indication of the likely funding levels for Local Government for the following two years. Whilst only indicative it is nevertheless a very welcome tool to assist future forecasting by Authorities. The likely levels of funding indicated are increase of 3.5% for 2023/24 and 2.4% for 2024/25, significantly lower increases than for 2021/22 and 2022/23.
- 2.8. All this of course has to be set against a backdrop of significant global instability where events can impact significantly – and at short notice – on the UK economy and the overall UK economic outlook.
- 2.9. For the purposes of the planning assumptions, although the future year indications are very helpful, they are only indications at an all Wales level. Swansea's actual increase could be higher or lower than the headline increase. Furthermore it is possible that the all Wales headline figure will be different to the indication, given the Welsh Government is reliant on the funding that flows from the UK Government. As such it is good practice to forecast a range of potential funding scenarios, each of which will result in differing financial forecast for the Council over the period covered. The forecasts will be updated using the mid-term budget statement to Council each year to reflect the best information available on a rolling basis. For the purposes of the MTFP, forecasts will be based around a range of scenarios between cash flat (0%), an increase of 3% and an increase of 9.3%.
- 2.10. These are scenarios to demonstrate the range of possibilities and are entirely contingent upon UK and Welsh Government future budget decisions.

Year	AEF Standstill @ 0% £'000	AEF Increase @ 3% £'000	AEF Increase @ 9.3% £'000
2023/24	0	11,600	36,000
2024/25	0	11,900	39,300
2025/26	0	12,300	43,000
Cumulative	0	35,800	118,300

Note that the above scenarios are based on the provisional AEF for 2022/23 of £386.585m as announced in December 2021.

The above represents a spread in terms of potential overall increases over the life of the MTFP, which will have to be updated on a regular basis.

The compounding effect of this key assumption is substantial over the life of the MTFP – the savings ask could be considerably higher if the actual increase is less than the range (of 3.5% - 2%) used as a planning assumption or considerably less if the settlements are more than assumed.

- 2.11. During the timescale of the MTFP there are a significant number of events which could impact on some of the major assumptions made. These include:
- Any voluntary or joint arrangements, including regionalisation, in lieu of compulsory Local Government reorganisation in Wales;
 - Wider events that could impact on the Global economic position;
 - The impact of the final exit package agreed by the UK Government in respect of Brexit.
 - The on-going impact of the COVID-19 pandemic

Support for Capital Programmes

The provisional settlement indicated support for future General Fund Capital programme at a level of £10.722m for 2022/23, a disappointing decrease of £2.040m compared to 2021/22. It is understood this may be reinstated by 2023/24 but this allocation is not even sufficient to meet the current budgets allocations to cover core commitments. There will be a temporary use of the Capital Equalisation Reserve in 2022/23 to fund the gap of £2.040m, this is on a one-off basis and will only be utilised if necessary.

This settlement support is through a mix of General Capital Grant and support for borrowing. Wider capital support elsewhere is however very significant and must be equally recognised.

Planning assumptions over the life of the MTFP are based on unchanged levels of capital support, in the absence of any further indications from the Welsh Government.

As reported elsewhere on this agenda, in the Capital Budget & Programme 2021/22- 2026/27 Report, there is an ambitious capital investment programme. This includes the continued investment in Swansea Schools, through the Band B phase of the 21st Century Schools Programme and major capital schemes flowing from the Swansea Bay City Deal including the Swansea Arena and the Digital Village. There will also be continued investment in IT across the Council, as well as a significant programme to assist the economic recovery from the COVID-19 pandemic.

The capital investment identified above will attract significant grant funding (21st Century Schools and Swansea Bay City Deal), however the programme will still require material unsupported borrowing to enable completion.

- 2.12. The total estimated cost of the Band B schools programme envelope is £149.5m (if the potential aided sector scheme is excluded this amounts to £141.3m). Of this total, £124m is being sought from traditional capital funding, requiring (after allowance for realisable capital and other receipts) a net local funding requirement of £34.5m. The remaining £25.19m (or £16.975m if the potential aided sector scheme is excluded) is expected to be delivered through revenue funding (Mutual Investment Model), which would require no local capital funding contribution but incur an annual charge once the accommodation and facilities are completed. An equivalent local share of the capital cost would be £3.225m although the 19% local contribution would apply to the annual revenue charge.
- 2.13. The capital financing strategy underpinning the capital budget seeks to maximise grants, supported borrowing, contributions and capital receipts in order to minimise the need to borrow. The borrowing requirement identified to support the capital programme is significant and shall require substantial revenue support to service. The revenue implications are reported in the Revenue Budget elsewhere on this agenda. The revenue implications are considered affordable and sustainable over the cycle of the programme.
- 2.14. As indicated above, the position remains that should such capital receipts not materialise the Council will have no option but to consider reductions in spend, seek alternative sources of funding or, as a last resort, consider additional borrowing which shall place a further burden on revenue finances.
- 2.15. In the recent past, the Council has sought to minimise its external borrowing by the use of internal funds, which is entirely consistent with good Treasury Management policy given historic low interest rates on investments and avoiding the 'cost of carry', which has served this Authority well. Sustained internalisation of borrowing requirement and the significant funding required for the capital programme from 2021/22 onwards and the planned medium term depletion of earmarked Reserves and Provisions means that externalisation of this funding became inevitable. It is clear that the Council

has taken the opportunity to progress this at a time when external borrowing rates are at an all-time low. Thus, following the removal of the HM Treasury imposed 1% premium on borrowing in November 2020, this strategy of averaging in external debt was undertaken in 2021/22.

It should be noted that all general fund debt has now been fully externalised and as such all interest rate risk has been removed in the medium and long term

- 2.16. It remains the case that each year the Council sets aside a significant amount of money (c £11.5m 2020/21) called the Minimum Revenue Provision (MRP) towards the repayment of debt. This provision is in line with the Council's existing MRP Policy, which was revised in 2018/19. This effective repayment will have to be taken into account when evaluating overall borrowing levels and the ability to service any additional borrowing requirement.
- 2.17. The additional capital investment identified above will attract significant grant funding (especially 21st Century Schools and Swansea City Region Deal), however the programme will still require a material unsupported borrowing to enable completion alongside the use of capital receipts as they are realised. Furthermore some schemes have the potential to provide additional revenue streams of property income, or, subject to agreement, in due course, with Welsh Government, retained elements of non-domestic rates or possibly tax increment financing as further powers devolve to Welsh Government and then on to local government.
- 2.18. Notwithstanding this scale of ambition, each major scheme will, as always, be considered on the overall merits of each business case, both in capital cost, and revenue income streams where appropriate. Unsupported borrowing will be undertaken on a phased basis within the overall envelope for affordability.

3. Detailed Spending and Resources Forecast 2023/24 to 2025/26

- 3.1. The Capital Budget report forecasts capital spending and resources in the period covered by the MTFP.
- 3.2. In terms of the Revenue Budget, and in the context of financial planning over the period of the MTFP, the overriding issue is likely to be the need to make significant ongoing savings in Service Expenditure in order to meet known and anticipated spending pressures.
- 3.3. The following table represents the expected funding requirements (based on current policies and decisions) for the period of the MTFP – **these are pressures and must be read in conjunction with the funding plans and indicative solutions set out in 5.4:**

Projected Spending Pressures/Funding Deficiency 2023/24 – 2025/26

	Note	2023/24	2024/25	2025/26
		£'000	£'000	£'000
Future cost of pay awards	1			
- Non Teachers		4,900	10,000	14,100
- Teachers (Local top up required)		4,000	7,800	11,200
National Living Wage – pay bill	2	400	800	1,200
National Living Wage – contracts		1,300	2,800	5,000
Increase in Pension Costs	3	1,300	2,800	4,200
Cumulative contract inflation	4	1,497	3,877	4,957
Energy Price Inflation	4	2,000	2,000	2,000
Capital charges	5	1,000	2,000	3,000
Use of reserves to smooth capital charges impact	6	-1,000	-1,000	-1,500
Contingency	7	96	231	13
Demographic and Service pressures	8	3,000	6,000	9,000
Mid and West Wales Fire authority Levy (independently decided by the Fire Authority)	9	400	900	1,400
Council Tax Support Scheme	10	1,250	2,650	4,050
Rebase ICT Cloud costs	11	500	1,000	1,500
Social Care extra money for Adults Services	12	2,500	5,000	7,500
Agreed Service Pressures	13	1,925	2,140	2,428
Total known pressures / investment into services		25,068	48,998	70,048
Total Savings Requirement	14	-4,511	-11,541	-16,691
Net Funding Requirement		20,557	37,457	53,357
Aggregate External Finance Increase @ 3.5%, 2.4%, 2%	15	13,500	23,100	31,300
Council Tax Assumption at 5% (see Section 4)	16	7,057	14,357	22,057
Total Resource Investment		20,557	37,457	53,357

Alternative scenarios at differing levels of Welsh Government Support – if AEF turns out to be higher or lower than the planning assumption

Additional Money Available for Investment if 9.3% AEF (i.e. continues at current year increase)	22,500	52,000	87,000
OR			
Additional Savings needed if 0% AEF	-13,500	-23,100	-31,300

Notes:

1. *The pay award figures represent a forecast increase of 2.5% for all staff, reducing to 2% over the life of the MTFP, following the UK Spending Review and removal of the public sector pay freeze.*
 2. *Assumed increases due to implementation of National Living Wage - will affect contract prices and lower end of own pay scale.*
 3. *The latest forecast from the triennial revaluation of the local government pension scheme effective from 1st April 2020 indicated a 0% increase per annum. This has been updated to an expected 1.5% increase from 2023/24 when the next revaluation takes effect.*
 4. *Reflects the assumed minimum cumulative effect of contract inflation, and from 2023/24 the impact of increased energy prices.*
 5. *The additional estimated borrowing costs arising from the new and regional capital programme together with the residual impact on borrowing from reviewing the MRP policy in 2018.*
 6. *Cabinet have prudently built up earmarked reserves to reduce the impact of increased capital charges in respect of new schemes, and targeted use of these reserves is now being built into the MTFP.*
 7. *A small sum to be added to the contingency to allow for changes to (for example) the estimates on levies.*
 8. *Assumed Demographic and Service pressures mainly around Schools and Adult and Children's Services.*
 9. *Estimated Fire Authority Levy increase.*
 10. *Reflects the assumed cost of Council Tax Support Scheme costs based on Council Tax increases as a planning assumption only at this stage.*
 11. *To rebase permanently some demand led pressures in Corporate Services predominantly around ICT cloud provision.*
 12. *Following the introduction of the new Social Care Levy (currently reflected as an increase to National Insurance rates) additional funding for social care has been allocated.*
 13. *The future year impact of service specific pressures agreed as part of the 2022/23 budget report*
 14. *The future year impact of service specific savings agreed as part of the suite of 2022/23 budget reports.*
 15. *Reflects the Welsh Government provisional guideline assumptions for 2023/24 and future years, namely a 3.5% increase in 2023/24, and a 2.4% increase in 2024/25. With 2% estimated for 2025/26.*
 16. *Reflects the Council Tax assumption of 5% as detailed in Section 4.*
- 3.4. As stated, this forecast contains limited provision for increases in net service costs, in particular there is no provision for :-
- Any increase in costs arising from decisions on Government taxation – most significantly increases arising from landfill tax costs.
 - Corporate costs in excess of budget provision in respect of issues relating to higher than assumed employee costs (higher than 2.5% (2023/24) and 2.0% (future years) pay awards), or bigger movements in minimum statutory wage.
 - Any one off costs arising from changes to service delivery across the Council, including transformational change.

- Any general inflation provision relating to non-contractual issues.
 - Any increased costs or reductions in income arising from ongoing changes to welfare reform, in particular the full introduction of Universal Credit during the lifetime of the MTFP.
 - Any budget changes arising from further regionalisation of any services.
 - Any increases in Capital financing charges beyond those allowed for which is dependent on the Council achieving a level of capital receipts as detailed within the Capital budget submitted for approval elsewhere on this agenda and is wholly dependent on decisions around potential externalising of internal borrowing.
 - Future funding decisions in respect of protection for Social Services or Delegated Schools' budgets which may be specified by the Welsh Government in future budget settlements.
 - Any potential downward movement in service specific grants, some of which we have experienced at short notice in the past.
 - Any ongoing increase on non-funded schemes including the Teachers' Pension Scheme at a future date.
- 3.5. The Welsh Government has proposed legislative changes around Local Government and Elections (Local Government and Elections (Wales) Act 2021). There are likely to be financial implications arising from this, however until more detail and implementation timescales are known this can only remain a risk for future consideration.
4. **Strategy to Address Future Savings Requirements: Swansea – Achieving Better Together**
- 4.1. 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 focused 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 was set out in *Sustainable Swansea – fit for the future*, our long-term plan for change, underpinned by our Innovation Programme.
- 4.2. The Sustainable Swansea 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.
- 4.3. A major refresh undertaken in 2020 recognised that it has successfully delivered the bulk of £70m worth of savings asks, and enabled the Council to maintain services, performance levels and protect jobs during a period of austerity. However, there are now new challenges and opportunities arising

from the new Local Government and Elections (Wales) Act as well as a changing national political landscape and economic uncertainty including COVID-19 and post-Brexit risks.

- 4.4. Thus, in October 2020 Cabinet approved the new Swansea - Achieving Better Together Transformation Strategy and Programme Framework to strengthen the changes needed due to current circumstances. The new programme builds on and strengthens the Sustainable Swansea approach, and the strategic aims of Swansea – Achieving Better Together will now focus on:
- The core purpose of the Council
 - Transforming services to be effective and efficient
 - Greater collaboration with other Councils, organisations, community groups and residents, with a focus on regionalisation
 - Balancing the budget for current and future years
 - Greater and more meaningful engagements with our residents and community
 - To meet aspirations and targets within the Medium Term Financial Plan

Our Service Priorities for 2022/23 and the MTFP Period

- 4.5. Although the Council is currently focused on a plan to save an additional £21m over the period of the MTFP (since revised as per the January 2021 Budget Proposals report to Cabinet), it is vital to continue to retain Member and management focus on the significant proportion of our budget that remains. Our gross budget is over £780m (excluding Housing Services (HRA)) and we spend just over £1.8m a day on services to residents.
- 4.6. 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 6 priorities and future plans for services to help deliver the well-being of future generations
 - The strategic aims of Swansea – Achieving Better Together – which embrace all we do
 - The application of the budget principles – which guides decision making
 - The ongoing and sustained real terms reduction in external funding and the need to meet known budget pressures.
 - All set within the context of the current COVID-19 pandemic.
- 4.7. 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 - to set out clearly our expectations on all services and relative priorities for funding in the context of the budget reductions that we face.
- 4.8. This requirement is illustrated sharply by the “gearing” effect of savings on services. In other words, if our current savings requirement (excluding schools) over three years was applied, for example, just to Place Services, the budgets for this area would have to be reduced by over a third.

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.

- 4.9. A statement of budget priorities and policy statements that flow from this is set out in **Appendix A**. This statement follows an assessment of services in relation to the following criteria:
- **Invest:** Services where the Council will increase levels of investment
 - **Maintain:** 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.

Potential Funding 2023/24 to 2025/26

- 4.10. The Revenue Budget report detailed elsewhere on this agenda identifies possible savings for the 2022/23 financial year. Some of these proposals will generate further savings in future years and so will contribute to the future years' savings requirement.
- 4.11. In addition, there are a number of service specific savings proposals that are being considered – it should be noted that these have not yet gone out to consultation, but will do so at the appropriate time.
- 4.12. These are detailed in Appendix B, but are shown in summary below:

	2023/24 £'000	2024/25 £'000	2025/26 £'000
Future Year Impact of current (2022/23) proposals:			
Corporate Services	1	5	8
Finance and CTRS	210	210	210
Education	756	957	1,197
Social Services	150	470	670
Place	1,032	1,032	1,032
	2,149	2,674	3,117
Future Proposals to be Considered:			
Corporate Services	600	725	795
Finance and CTRS	0	0	0
Education	200	200	200
Social Services	250	2,238	3,998
Place	1,312	1,884	2,441
	2,362	5,047	7,434
Sub-total of Service Specific Savings (as per Appendix B)	4,511	7,721	10,551
Schools*	0	3,820	6,140
Total Savings	4,511	11,541	16,691

*Schools savings and pressures fall entirely to the delegated budgets and are shown separately as these are decisions for schools to take

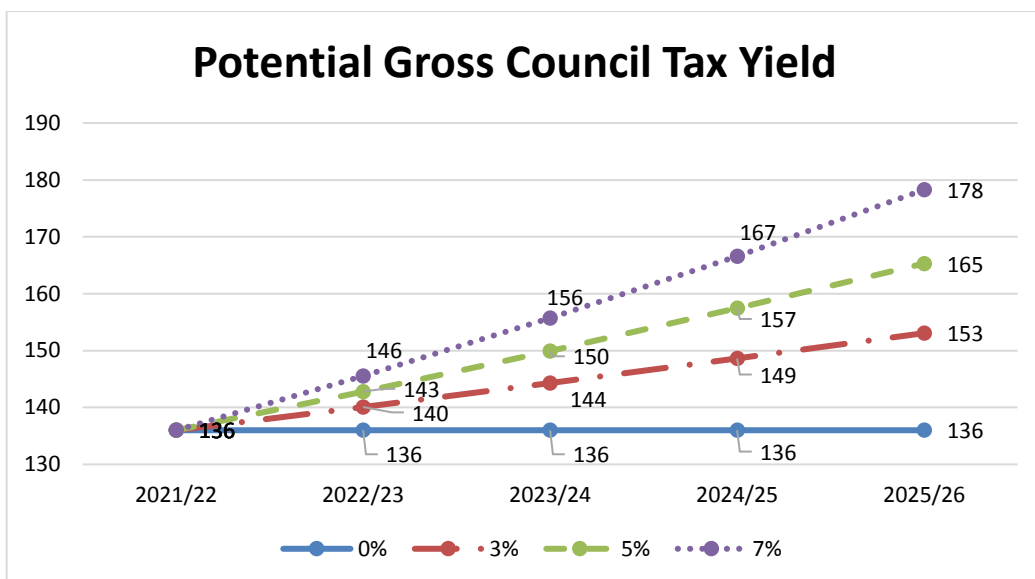
- 4.13. In addition to savings proposals, Council Tax levels must be considered as part of the MTFP. Budgeted gross council tax yield for Swansea for 2021/22 is £136,219,000, which we have rounded to £136 million. This remains the gross yield on Council Tax and it must be borne in mind that any Council Tax increases results in a corresponding increase in the local cost of the Council Tax Support Scheme, (which has been taken account of in the spending pressures above). To remain prudent and err on the side of caution, only a minimal growth in Council Tax Base has been assumed.
- 4.14. Policy decisions on the level of Council Tax will of course remain a matter for full Council to determine on an annual basis and it is always relatively challenging to set out a published range of Council Tax options years in advance. Therefore, what follows can only be an indicative assumption to give a plausible range of planning scenarios, to aid the overall understanding of the financial plan.

It should be noted that lower tax increases in earlier years will (all other things being equal) result in higher increases in later years, and as the outlook is for lower settlements in future, persistent, high inflation and an immediate cost of living crisis, the timing of any rises must be weighted and due regard given to the Well Being of Future Generations Act.

The following stylised planning assumptions are made:

- As in the past, there is no formal published upper limit to annual Council Tax increases but Welsh Government reserve powers and hints of action effectively placed a top end cap at 5% per annum. However since 2018/19 it has been clear that there is no cap and the Welsh Government have not taken any action against Councils that have set increases higher than this. As such, this in effect places no upper limit for planning assumptions, but for modelling purposes an upper limit of 7% is included.
- Given the sheer scale of spending reductions needed to set a future balanced budget it is considered equally implausible (albeit theoretically not impossible) that Council Tax levels will be cut. This provides a lower limit of 0% per annum;
- As middle ground options 3% and 5% are also modelled.
- It should be noted that the Welsh Government Standard Spending Assessment calculations included 3.5% for 2022/23 and 5.1% for 2021/22.
- The stylised assumption included for planning purposes is 5%.

The chart below demonstrates the different levels of Council Tax that could be expected under the different scenarios:



5. Summary of the Medium Term Financial Plan and Swansea – Achieving Better Together Strategy

5.1. The summary anticipated savings requirement over the period of the Medium Term Financial Plan is shown below and is extracted from the table shown at paragraph 3.3 of this report.

	<u>2022/23</u> <u>£'000</u>	<u>2023/24</u> <u>£'000</u>	<u>2024/25</u> <u>£'000</u>
<i>Cumulative Savings Requirement</i>	4,511	11,541	16,691

5.2. The assumptions surrounding the compilation of these figures are given in detail within the table at paragraph 3.3 above and, in particular, are heavily dependent on the assumption of an ongoing increase in AEF for each of the three years covered by the MTFP.

Clearly there is the risk of significant volatility in future years arising from:

- The cumulative effect of any variation in these assumptions in early years
- The uncertainty around assumptions surrounding the latter years.

5.3. Notwithstanding that position, in addressing the ongoing budget deficit, the Council has a number of actions that it can take in terms of achieving a balanced budget. These include:

- Realisation of future years' budget savings arising out of previously agreed savings and 2022/23 consultation proposals
- Additional Directorate/Service Area targeted savings as detailed in paragraph 4.12 of this report
- Potential rises in Council Tax levels, as estimated in paragraph 4.14

- 5.4. Bringing these items together, and assuming a balanced position for 2022/23, the following indicative position is envisaged:

	<u>2023/24</u> <u>£'000</u>	<u>2024/25</u> <u>£'000</u>	<u>2025/26</u> <u>£'000</u>
<i>Cumulative savings requirement</i>	4,511	11,541	16,691
<i>Future year impact of current service savings proposals</i>	-2,149	-2,674	-3,117
<i>Future year proposals to be considered</i>	-2,362	-5,047	-7,434
<i>Schools savings</i>	0	-3,820	-6,140
<i>Remaining Gap at 3.5%/2.4%/2% AEF</i>	0	0	0
<i>Surplus at 9.3% AEF – which would be available to re-invest, reduce savings and/or lower council tax assumptions</i>	22,500	52,000	87,000

- 5.5. In terms of addressing the overall budget, there are further options available to the Council that are not yet firm enough to be able to be included in the table above, but nevertheless are being worked through and considered for future inclusion.
- 5.6. These options include reviewing services and funding provided to schools and potentially higher or lower than 5% increases to Council Tax. To some extent decisions around these proposals will also be reliant on the annual settlements received from the Welsh Government.
- 5.7. The Council will use the overarching Swansea – Achieving Better Together Strategy when considering all options.

6. Medium Term Financial Planning for Schools

- 6.1. The purpose of this section is to highlight the estimated effect of specific spending pressures and potential specific grant reductions on Schools' budgets in the light of funding assumptions detailed elsewhere in this report.
- 6.2. More specifically the Detailed Budget report to Council in respect of the 2022/23 Revenue Budget outlines the specific budget proposals for that year.
- 6.3. It is important to note that, given the size of the potential budget deficit facing the Council over the period of the MTFP, it is envisaged that Schools will be required to make some contribution to savings targets during this period. However, the Council will continue to prioritise education funding and spending pressures and take into account the extent to which these can be met on annual resources available and competing spending needs. It should be noted that at present there is a contribution from Schools built into the

budget forecast, however to some extent although this is a planning necessary intention of the Council if settlements prove low, whether this will happen in practice will be entirely reliant on future settlements from the Welsh Government and are likely to be reduced or removed if settlements prove higher than the central planning assumption for AEF.

6.4. It is essential that we continue to engage with Schools on a strategic review of provision as simply cutting budgets in real terms without otherwise doing so will simply not work.

7. **Risks and Issues Implicit within the MTFP**

7.1. As stated throughout this report the financial risks facing the Council include:

- Whilst we have certainty for three years from the Welsh Government for indicative settlements, the increases are front loaded and thus remain volatile, leading to much harder temporal choices over council tax levels between years.
- Assumptions around the core funding support from the Welsh Government being incorrect, particularly if overstated.
- Ongoing reductions in specific grants that require equivalent reductions in expenditure, often at short notice, which are both uncertain and unpredictable in terms of timing.
- Delay or non-delivery of key savings strands which are essential to meet the projected service reductions identified in this report.
- Significant further changes to Central Government fiscal policy with regard to the Public Sector.
- The introduction of new legislation and statutory requirements that impose additional burdens on the Council.
- The ongoing practical impact of legislation such as the Wellbeing of Future Generations (Wales) Act 2015.
- The ongoing (and unknown) impact of the COVID-19 pandemic.

7.2. The table at paragraph 3.3 of this report outlining the potential budget shortfalls over the period of the MTFP contains a significant number of assumptions around future cost pressures, particularly with respect to pay awards, which may have a significant cumulative effect if not settled at the levels indicated. This has the potential to change significantly the projected deficit towards the end of the planning period.

7.3. The assumptions contained within the plan specifically assume:

- The Council will deliver a balanced revenue outturn in respect of the current and future financial years and, to that extent, no deficits are identified that would require additional funding in future years.
- The Capital programme is constrained to the extent that the maximum additional debt charges that are incurred (which should be considered temporary until capital receipts are achieved) do not exceed the sums included in the MTFP. In particular that any additional borrowing requirements in respect of aspirational capital development will be met

from additional income generation from such schemes or a combination of funding from the public and private sector that evidences financial sustainability.

- The Council continues to achieve its ambitious savings targets.
- 7.4. It is assumed that there will be substantive change to the structure of service delivery, including additional regionalisation of services. It is however far too early to financially quantify and describe those changes so they are explicitly excluded at present.
- 8. Use of Reserves**
- 8.1. The purpose of this section is to highlight the current planned use of General Reserves to support the 2022/23 Revenue Budget and to outline the relationships between known risks and earmarked reserves and its effect on planning assumptions. An analysis of the current position is given in paragraphs 8.3 to 8.8 below.
- 8.2. Conclusions and recommendations in respect of reserves usage are given in paragraph 8.9 below.
- 8.3. The current 2021/22 Revenue Budget was set with no planned use of General Reserves.
- 8.4. In terms of planning assumptions there is no assumption of ongoing use of or availability of General Reserves in 2022/23 or beyond.
- 8.5. Whilst the Council maintains a number of specific reserves they are not factored into planning assumptions because they are either ring-fenced under statute or scheme of delegation (e.g. Schools' delegated reserves), or they are earmarked to meet known liabilities. (The exceptions to this are the already agreed use of the Capital Equalisation Reserve for targeted capital investment and the use of the Economic Recovery Fund for targeted COVID recovery plans).
- 8.6. In October 2021 Council received and approved a report which re-allocated earmarked reserves based on known changes to the risk profile of the Council and it is anticipated that a similar report will be taken on an annual basis.
- 8.7. Allowing this consideration outside of the annual budget process, and after previous year outturn is known, will give elected Members better opportunity to reflect on the level of General and earmarked reserves in line with the guidance detailed in paragraph 8.10 below.
- 8.8. In addition, various sections highlighted throughout this report refer to significant ongoing risk around current activities.
- 8.9. It remains the position that until these significant risks are fully mitigated then any additional planned use of earmarked reserves to support general revenue budget deficits would be inappropriate.

- 8.10. On 12th January 2016 the Welsh Government issued guidance to Local Authority Members on matters to be taken into consideration when scrutinising the level of Local Authority Reserves held at any point in time. This has been circulated to all Members and any recommendation relating to the holding or release of reserves will be undertaken with reference to the principles underpinning best practice as issued by the Chartered Institute of Public Finance and Accountancy and this guidance.

9. Legal and Equalities Implications

Legal Implications

- 9.1. There are no legal implications arising from this report.

Integrated Assessment Implications

- 9.2. The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socio-economic disadvantage
 - Consider opportunities for people to use the Welsh language
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 9.3. The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 9.4. Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language
- 9.5. The budget reductions implicit in the 2021/22 approved budget were subject to the corporate and appropriate Equality Impact Assessment process, which was considered as part of the overall budget process.

- 9.6. Where additional budget savings requirements are identified as part of the 2022/23 and MTFP budget processes they will be subject to the integrated impact assessment process (including relevant consultation and engagement) as part of the budget considerations for those financial years.

Background Papers: None

Appendices:

Appendix A Statement of Budget Principles and Service Budget Priorities

Appendix B Savings Proposals

Statement of Budget Principles and Service Budget priorities

GENERAL PRINCIPLES FOR ALL SERVICES

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

Budget Principles

2. The Council has adopted a number of Budget Principles that underpin the budget strategy:

<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

3. 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 • reduce 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

	<ul style="list-style-type: none"> • 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
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4. STATEMENT OF BUDGET PRIORITIES: SCHOOLS AND EDUCATION

Education is continuing to deliver a consistent and coherent budget strategy across delegated and non-delegated budgets.

Budget proposals offer significant additional funding to schools. This is more than sufficient to meet anticipated pay inflation and other cost pressures (such as Service Level Agreements and Free School Meal increases), wider pressures relating to mainstream Additional Learning Needs, and additional costs in respect of some specific SLAs as a result of external factors. The proposals also target additional funding through the funding formula to support wider reviews.

Whilst recognising the relative priority given to Education (and Social Services), further significant savings cannot be made in future years without reductions in real terms in the Schools Delegated Budget.

Moreover, further significant cuts in the remaining non-delegated education budgets will have a direct impact on areas of pupil specific support and further reduce the support that can be provided to schools from the department against a context of increasing demands and expectations.

At the same time, greater focus is being given to the regional delivery of services, with a fundamental review of those services being delivered through the new regional partnership in the coming years.

A continuing move towards a fundamentally different relationship between schools and the local authority is required, reflecting the challenges and opportunities presented by the national changes in curriculum and support for additional learning needs. By its very nature, this is a long-term strategy. The future model for Education provision includes:

- Radically changing the way support for pupils is provided – more flexible earlier intervention and support, as local as possible
- A consistent approach to support the needs of all pupils through a continuum of support
- Integrating and aligning services with Social Services and other agencies such as Health
- Working more closely with communities, recognising the role of schools at the heart of their communities, seeking to minimise transport costs and, wherever feasible, co-locate other services on school sites to aid sustainability (where revenue and capital funding streams are at least sufficient to cover the costs involved).

We will deliver this through:

- Coherent revenue and capital strategies
- Optimising the level of delegation of funding and responsibilities to schools to allow the greatest flexibility in the use of the available resources
- Supporting earlier intervention and support for pupils:
 - Implementing the changes that underpin the ALN Act
 - Providing increasingly targeted specialist support, reflecting the findings of the independent behaviour review
 - Building further capacity in mainstream educational provision and in County specialist provision
 - Empowering & facilitating more collaborative school to school support
 - Ensuring delivery of Out of County places for specialist provision are commissioned jointly with other services to seek to maximise economies of scale.
- Delivery of further significant financial savings through a continuing coherent 'one education budget' strategy:
 - Retaining an absolute core level of statutory and regulatory provision at the centre
 - Ensuring a full recovery of the costs of any support provided to schools above this level and providing the minimum level of Council funding required to fully access the remaining available specific grants

Ceasing financial contributions to support the few remaining areas of discretionary educational provision.

5. STATEMENT OF BUDGET PRIORITIES: SOCIAL SERVICES

The Social Services Directorate has faced significant challenges over recent years, however has achieved all of the existing Medium Term Financial Plan (MTFP) target savings commitments to date and maintained a high level of delivery.

COVID 19 has had an impact on the way we deliver services for children and families and an even more significant impact on our population of adults requiring care and support and their families and carers. The pandemic has also highlighted the crucial role community based early help and prevention and tackling poverty services play in supporting the most vulnerable members of our communities.

Over the past 18 months the whole directorate has become even more focussed on ensuring a joined up, strengths and assets based approach to working with and in communities with targeted support for the most vulnerable.

Future pressures on Social Care funding is expected, with increasing demand and service costs, and the challenge ahead to transform services to become more sustainable and meet future need and demand in the most effective and efficient way as we continue into recovery.

The proposed settlement should assist in meeting the additional pressures such as increased costs of externally commissioned care in line with inflation and a commitment to achieving the Real Living Wage, as well as embarking on a transformation and investment in some front line services positively impacting those needing care and support and our communities.

The main areas of priority are:

- Doing what matters to make things better for children, young people, and families
- Maintain the current Safe LAC Reduction Strategy for children and young people
- Continue our investment in preventative services to reduce the number of looked after children and achieve the planned savings and service improvements
- Taking into account changes necessary to mitigate the impact that COVID-19 has had on the well-being of vulnerable children, families and staff.
- Continue to work across with regional colleagues to ensure clear and seamless pathways for those needing care and support
- Further develop the agreed optimum model for adults, by embedding the following;
 - Better prevention and early help
 - A new approach to assessment
 - Improved cost effectiveness
 - Working together better
 - Keeping people safe
- Further embed tackling poverty services and prevention approaches across the Directorate and wider Council
- Continue to ensure we maximise the use of the various grant income streams available to delivery priorities

We will ensure we maintain a focus for the coming year on prioritising improvements to services that best support individuals, families and carers in recovering from the huge impact that COVID-19 has had on all their lives.

The next phase of recovery into 2022/23 will have a heavy focus upon financial efficacy; the transformation programmes will support the Medium Term Financial plan savings targets for Social Services. We will monitor progress as part of governance arrangements in monthly Social Services Performance and Financial Monitoring meetings.

6. STATEMENT OF BUDGET PRIORITIES: PLACE SERVICES

For the Place Directorate 21/22 has been a challenging year as a result of ongoing pressures arising out of COVID-19 which has resulted in increased demands on the Directorate and an impact on reduced income streams some of which will continue through into 21/22. However, the proposed settlement will assist in underwriting the income loss allowing continued investment in many of its front line “place based” services positively impacting on the

environment and communities the Council serves. The main areas of priority are:

- Prioritisation of key corporate objectives including the regeneration of the City Centre, delivery of the city deal and its biodiversity and climate emergency objectives.
- The opening and first year of operation of the new Digital arena, delivery of the Kingsway digital village project and facilitation of the Phase 2 city centre development with our strategic development partners
- Deliver on a range of actions arising out of the Council's recovery plan with particular focus on the economic recovery, facilitating private sector investment and tourism
- Maximise commercial opportunities and income generation for services and assets to offset income losses
- Seek opportunities for community involvement in the delivery of services and community enablement
- Invest where necessary to maintain vital services including front line delivery of environmental services
- Work within the affordability of the housing revenue account to increase the speed of delivery of the more council homes and commence the delivery of the Welsh Housing Quality Standard 2 decarbonisation programme.
- Maximise the opportunities brought by modernising terms and condition across the council
- Adequately resource the significant council wide capital programme including highways, infrastructure and new schools and responds to the current recruitment challenges to aid delivery
- Seek to deliver on the Councils' homelessness strategy and housing first model
- Seek to maximise the success of grant bids maximising the beneficial use of council resources
- Grow the capacity to support local businesses and suppliers through the circular economy principles and maximise the support available for inward investment
- Working regionally with colleagues to progress delivery of the Regional Economic Delivery Plan.

7. STATEMENT OF BUDGET PRIORITIES: CORPORATE SERVICES

The Corporate Services Directorate will continue to deliver high quality and cost effective core services, supporting frontline service delivery and achieve better outcomes for our residents, customers and Visitors.

The Corporate Services directorate supports the political and managerial leadership of the council to set the strategic direction and enable the organisation to deliver it, responding to external challenges including financial pressures and changes in the operating environment.

To be able deliver the above our focus must be to:

- Manage demand for central support services by supporting the workforce to have the right skills for the future, particularly managers
- Focus on the Priorities within the functions of the corporate centre such as governance, core HR advice and customer services
- Look for opportunities for collaboration and co-production models with other organisations and partners, in order to maintain support services as efficiently as possible
- Radically change our approach to customer contact and engagement, to channel shift to digital channels where appropriate and reduce costs where possible
- Consolidate and reduce the cost of all common support functions across the Council, such as ICT and business support
- Maintain overall investment in ICT and Digital First, on a business case basis, to support the transformation agenda, including on-line self-service, agile and mobile working and direct service innovation.
- To continue to evolve the services as the operating environment changes to ensure we can be agile and responsive to change.
- To support the development of the councils workforce and ensure we can respond to the regionalisation agenda and maximise the opportunities it presents.

8. STATEMENT OF BUDGET PRIORITIES: FINANCE

The newly created Finance Directorate will deliver high quality and cost effective core services, supporting frontline service delivery and achieve better outcomes for our residents, customers and visitors, as well as leading on the General Power of Competence (GPOC) and commercialism agendas.

The Finance Directorate supports the political and managerial leadership of the council to set the strategic direction and enable the organisation to deliver it, responding to external challenges especially financial pressures and changes in the operating environment.

To be able deliver the above our focus must be to:

- Strategically manage the revenue and capital finances of the whole Council having due regard to the medium and longer term and the Wellbeing of Future Generations as well as the immediate and forthcoming budget cycles.
- Manage demand for financial support services by supporting the workforce to have the right skills for the future, particularly managers
- Focus on the priorities within the functions of the corporate financial centre such as financial control, financial advice, control of Council Tax and benefits, and commercial capability.
- Look for opportunities for collaboration and co-production models with other organisations and partners, in order to maintain support services as efficiently as possible

To continue to evolve the services as the operating environment changes to ensure we can be agile and responsive to change

Part 1 – Savings Proposals

Director	Head of Service	Savings Proposal	Savings 2023/24 £'000	Savings 2024/25 £'000	Savings 2025/26 £'000
Future Impact of 2022/23 Savings Proposals					
Corporate Services	Director	Non-staff spend savings due to different ways of working	1	5	8
Education	Non-Delegated	Further reductions in regional improvement service, consistent with funding settlements	16	16	16
Education	Non-Delegated	ALN - more costly out of County provision (recoupment) further mitigated by enhanced in County provision	92	92	92
Education	Non-Delegated	ALN Post 16 Transport - tighter scrutiny of costs / review of assessment / processes to better promote independent travel (unless savings are taken corporately and base budget reduced)	25	25	25
Education	Non-Delegated	Home to School Transport - savings identified as part of wider focused scrutiny of nature and spread of educational provision (unless savings are taken corporately and base budget reduced)	100	100	100
Education	Non-Delegated	ALN Transport - review of spread and nature of STF provision / review of assessment / processes to better promote independent travel and integrate provision with Social Services (unless savings are taken corporately and base budget reduced)	100	100	100
Education	Non-Delegated	Catering and Cleaning services - Continuing work towards full cost recovery through SLAs where schools are receiving additional funding to reflect such cost pressures	100	100	100
Education	Non-Delegated	ALN - more costly out of County provision mitigated by further enhanced in County provision (so impact dependent on resourcing to deliver enhanced provision)	140	341	511
Education	Non-Delegated	Review of EOTAS spending to better target resources following full implementation of new model of provision	120	120	190
Education	Non-Delegated	Wider review of Directorate staffing to refocus resources and enhance cost recovery from other funding streams	63	63	63
Finance and CTRS	Deputy Chief Finance Officer	Review of Finance management structure once Senior Management Review concluded - 1 net post ER/VR during 22/23	25	25	25

Director	Head of Service	Savings Proposal	Savings 2023/24 £'000	Savings 2024/25 £'000	Savings 2025/26 £'000
Finance and CTRS	CTRS	Increase CTRS saving by continued careful management	185	185	185
Place	Waste, Cleansing and Parks	Increase graffiti charges by 200% over 4 years to ensure full cost recovery	10	10	10
Place	Housing and Public Protection	Introduce paid for advice and approval service for businesses across Food Safety and Trading Standards functions	22	22	22
Place	Highways and Transportation	Increase in car park income resulting from tariff increases linked to city centre regeneration	250	250	250
Place	Various	"Income earning" services to self-fund pay increase costs from increased fee charges on full cost recovery. Assuming all charge increases passed on	750	750	750
Social Services	Adult Services	Reduction in costs for external residential care by changing the business model and how we are funding voids in the system	20	90	140
Social Services	Adult Services	Realise saving in efficiencies through the Supported Living Framework and benefits of being located together (2.5% rather than 5% stated in contractual arrangements in light of COVID-19)	10	80	130
Social Services	Child and Family Services	Supported accommodation and floating support efficiency savings following review and recommissioning exercise	50	100	150
Social Services	Adult Services	Work though Complex Needs high cost placements and establish a collaborative approach with Health for funding these packages of care (aligning with C&F) to achieve Reduction in high cost packages of care due to more efficient and effective working with health in terms of new guidance around CHC cases	20	100	150
Social Services	Child and Family Services	Work though Complex Needs high cost placements and establish a criteria and equitable formula for funding these placements with Health (Aligning with Adults)	50	100	100
Total of Future Impact of 2022/23 Savings Proposals			2,149	2,674	3,117
<u>New Proposals from 2023/24</u>					
Corporate Services	Director	Savings as linked to reshaping of services and future demand based on the changes to other services/Directorates	350	450	500
Corporate Services	Director	Additional savings to be identified including terms and conditions	100	100	100
Corporate Services	Director	Additional savings proposals drawn from future proposals and "in extremist list"	150	175	195

Director	Head of Service	Savings Proposal	Savings 2023/24 £'000	Savings 2024/25 £'000	Savings 2025/26 £'000
Education	Non-Delegated	Construction of new Available Walking Routes to Schools - Education Budget. Improvements to routes allows withdrawal of school bus services for children who live within the statutory distance of their catchment school, but are unable to walk or cycle because of an 'unavailable walking route'.	140	140	140
Education	Non-Delegated	Further review of demand and service pressures with need for still tighter mitigation actions to replace the savings targets within the existing MTFP which are undeliverable to the timescale required	60	60	60
Place	Cultural Services	Reduce Library Service 'footprint' through providing accommodation and shared services via SitC - work needed to assess costs to other services versus reduced costs to the Library service	400	400	400
Place	Director	Additional savings proposals drawn from future proposals and "extremis list"	0	572	1,129
Place	Director	Additional savings to be identified including Terms and conditions	762	762	762
Place	Waste, Cleansing and Parks	Develop the most cost effective way of collection and disposal of plastics	150	150	150
Social Services	Adult Services	Prevention and redesign activities to deliver additional medium term savings linked to future reduced demand for care and support (may require drawdown of centrally held inflation contingency funds)	0	1,001	2,341
Social Services	Adult Services	Savings from implementing WCCIS	0	50	50
Social Services	Adult Services	Transformational co-produced future model for Day Services, based on lessons learned through COVID-19	0	150	200
Social Services	Adult Services	Replacing core costs of non-statutory teams with Grant money which may become available through local or regional opportunities	0	150	200
Social Services	Child and Family Services	Prevention and redesign activities to deliver additional medium term savings linked to future reduced demand for care and support (may require drawdown of centrally held inflation contingency funds)	0	549	869

Director	Head of Service	Savings Proposal	Savings 2023/24 £'000	Savings 2024/25 £'000	Savings 2025/26 £'000
Social Services	Poverty & Prevention	Prevention and redesign activities to deliver additional medium term savings linked to future reduced demand for care and support (may require drawdown of centrally held inflation contingency funds)	0	88	88
Social Services	Poverty & Prevention	Replacing core costs of non-statutory teams with Grant money which may become available through a range of local or regional opportunities	250	250	250
Total of New Proposals from 2023/24			2,362	5,047	7,434
Total of ALL Service Specific Savings Proposals (Excluding Schools)			4,511	7,721	10,551

Part 2 – Service Pressures and Investment

Director	Head of Service	Description	2023/24 £'000	2024/25 £'000	2025/26 £'000
Corporate Services	Legal and Democratic Services	Increase to Councillors costs due to IRPW Report	15	30	48
Corporate Services	Legal and Democratic Services	Election System	0	50	50
Social Services	Poverty and Prevention	Various Poverty and Prevention Services pressures including loss of income (grants), staff costs, inflationary contract costs and ongoing additional COVID-19 costs	0	0	50
Social Services	Adults	Various Adult Services pressures including loss of income (grants), staff costs, inflationary contract costs and ongoing additional COVID-19 costs	50	100	150
Social Services	Child & Family	Various Child and Family Services pressures including loss of income (grants), staff costs, inflationary contract costs and ongoing additional COVID-19 costs	100	200	300
Education	Non-Delegated	Unbudgeted and uncontrollable ER/VR and ongoing pension costs - beyond base budget assumptions re service pressures	600	600	600
Education	Non-Delegated	ALN Act Implications	600	600	600
Education	Non-Delegated	ALN - out of county placements and pupil support - beyond base assumptions re service pressures	200	200	200
Education	Non-Delegated	ALN (including Post 16) Transport cost pressures in excess of planning assumptions	360	360	430
Grand Total			1,925	2,140	2,428