

**CLACKMANNANSHIRE COUNCIL**

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**Report to Council**

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**Date of Meeting: 23 August 2018**

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**Subject: Budget Strategy Update**

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**Report by: Chief Accountant (Interim)**

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**1.0 Purpose**

- 1.1. The purpose of this report is to maintain Council's regular update on the approved Budget Strategy. This report provides an update on the fiscal outlook, the key financial publications over the last few months and the Quarter 1 savings outturn.

**2.0 Recommendations**

2.1 It is recommended that Council notes:

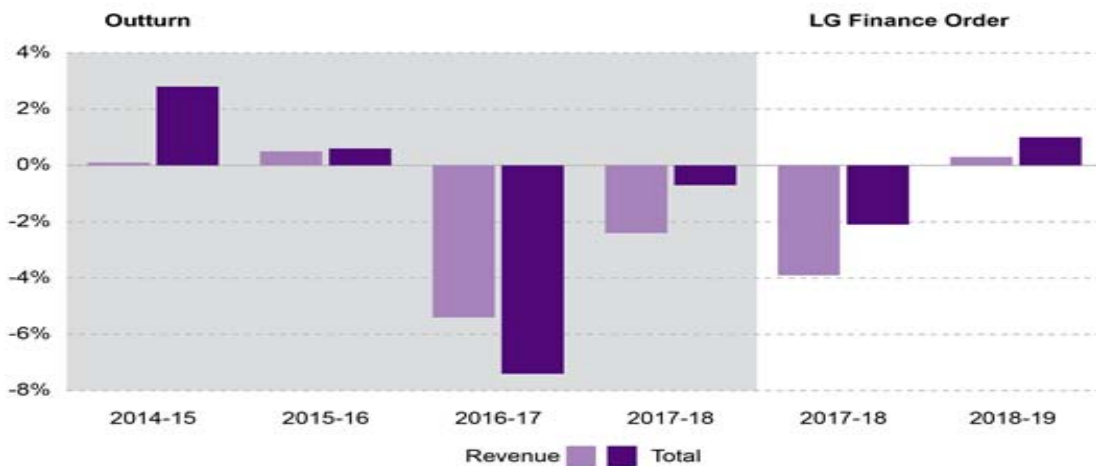
- a. The CIPFA Monthly briefing for June 2018
- b. The SPICe facts and figures highlights from 2013/14 – 2018/19
- c. The refreshed position on the funding gap for the next 3 years.
- d. Quarter 1 outturn savings position
- e. Current work to develop the 2019/20 savings plans and
- f. The work ongoing regarding capital asset plans and the development of a capital strategy

**3.0 Outlook**

- 3.1 The CIPFA briefing for June focused on the Scottish Government's fiscal outlook paper and suggests that funding for Health, Policing, Attainment, Higher Education and Social Security will increase from 56% of the resource budget in 2019/20 to 64% by 2022/23. This has implications for the remaining areas, one of which is Local Government. The Local Government resource budget will not be impacted in cash terms, but in real terms it means a minimum 2% reduction.
- 3.2 Scenario planning in the CIPFA briefing also suggests that in all of the three funding scenarios put forward, the priority areas noted above will receive the same resource, and so the non priority areas will take the impact of any movement in overall funding levels. Therefore, without reprioritisation or reform, efficiency savings of 5% could be required by 2022/23.
- 3.3 The briefing also covered GDP growth forecasts which will continue to show some growth but at a much slower rate than was previously forecast. Growth from 2019 onwards is forecast at 0.9%, half of the forecast rates from Dec 2016, and is predicated on Scottish productivity bouncing back to previous levels, which is yet to materialise. Growth in Scotland is currently slower than the rest of the UK.

- 3.4 Income tax revenues are also forecast below previous levels and the impact of this may lead to higher tax rates or additional borrowing, as the overall resource is less than forecast.
- 3.5 The Scottish Parliamentary Information Centre (SPICe) recently published its annual “Local Government Finance: facts and figures report 2013/14 - 2018/19”. <https://digitalpublications.parliament.scot/ResearchBriefings/Report/2018/5/21/Local-Government-Finance--facts-and-figures-2013-14-to-2018-19>
- 3.6 In real terms, whilst both the Revenue and Total settlements for Local Government rose in 2014-15 and 2015-16, they fell sharply over the next two years. Between 2013-14 and 2017-18 there was a 7.1% fall (-£744.7m) in the Local Government Revenue settlement in real terms (2018-19 prices).

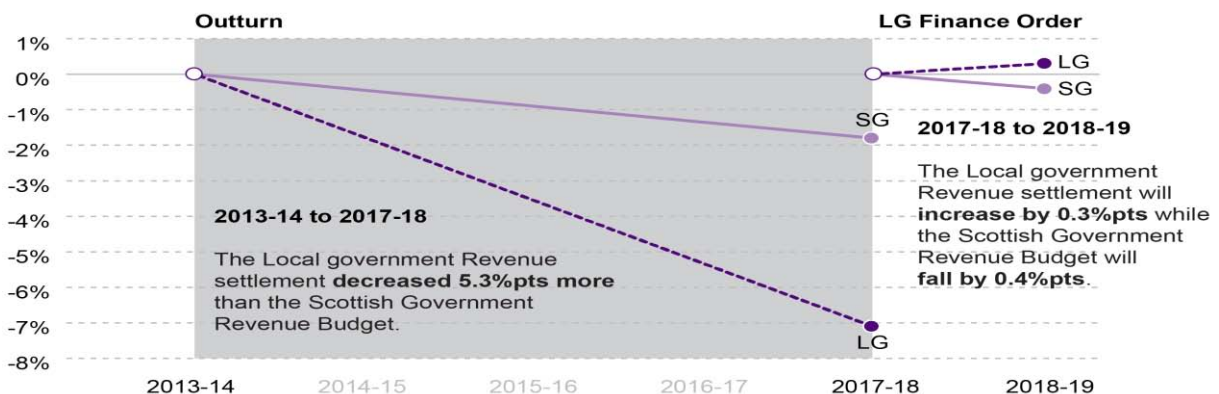
**Exhibit 1**



Source: The Scottish Parliamentary Information Centre (SPICe)

- 3.7 Local Government Finance Order figures suggest that there will be a 0.3% real terms increase (£28.7m) in the Local Government Revenue settlement between 2017-18 and 2018-19.

**Exhibit 2**



Source: The Scottish Parliamentary Information Centre (SPICe)

- 3.8 This suggests a reversal in the trend of recent years in which the Local Government Revenue settlement has fallen at a much steeper rate than that of the Scottish

Government. Looking at both the Revenue and Capital figures combined, Local Government's share of the Scottish Government budget decreased by 1.5% between 2013-14 and 2017-18. Local Government Finance Order figures suggest that this will increase slightly, by 0.2 percentage points, between 2017-18 and 2018-19.

#### 4.0 Budget gap refreshed

4.1 On the 8<sup>th</sup> March 2018, the Council approved its budget for 2018/19. Council was also provided with updated details of the indicative funding gap for three years from 2019/20. This information is reproduced at Table 1 below and shows an indicative funding gap of £12.5 million for 2019/20 and a cumulative gap of £29.9 million over the three year period to March 2022.

**Table 1: General Services Budget 2019/20-2021/22 Indicative funding gap**

	2019/20	2020/21	2021/22	
	£000	£000	£000	
Net expenditure	126,313	133,335	140,370	
Net Funding	113,804	112,061	110,423	
Annual indicative Gap	<b>12,509</b>	<b>8,765</b>	<b>8,673</b>	<b>29,947</b>

4.2 The main assumptions for all three years included were as follows:

- Increase in Council Tax 3%
- Pay inflation 3%
- Contract inflation £600k
- General demand pressures, £2.4m 2019/20 and £3m for 2020/21 and 2021/22
- Cash reduction on general fund grant 3.5%
- That the additional £1.217m received in 2017/18 is baselined for future years
- The recurrent share of the additional social care funding of £250m baselined each year
- That the additional £1.502m received for 2018/19 is not at this stage baselined for future years.

4.3 This has now been updated and the following assumptions are now relevant:

- 3% Increase in Council Tax
- Differential pay inflation 3%/2%/1% assumed to 2022/23 (*this piece of work is under way, the figures below currently shows a flat 3% increase and so maybe slightly overstated, this will be updated for the next report*)
- Contract inflation at 1% of spend
- General demand pressures, £2.4m 2019/20 and £3m for 2020/21 and £3.6m 2021/22, based on inflation staying above the target 2% and the expected 5% increase in fuel and transport costs

- Bank of England interest rate rise in August of 0.25% up to 0.75% ahead of the expected schedule
- General fund grant percentage decrease of 4% building up to 5% over the next 3 years as the Scottish budget faces priority pressures and Local Government grants decrease.
- The recurrent share of the additional ELC revenue funding of £210m 2019-20, £201m 2020/21 and £59m 2021/22.
- The recurrent share of the additional PEF funding of £180m 2019-20, £180m 2020/21 and £59m 2021/22.
- That the additional £1.502m received for 2018/19 is not baselined for future years.

4.4 Once the above assumptions have been updated, the forecast the gap for the next 3 years will be £31.902m. The £2m increase is as a result of rising pressures in demand, prices and reduced future funding:

**Table 2: General Services Budget 2019/20-2021/22 Indicative funding gap**

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Net expenditure	126,136	132,986	140,354	
Net Funding	113,448	111,034	108,452	
Indicative Annual Gap	<b>12,688</b>	<b>9,264</b>	<b>9,950</b>	<b>31,902</b>

The Council will need to review its services, charges and savings plans to ensure that the council remains financially sustainable. The 2019/20 gap of £12.688m will require significant transformational change to bring about the level of saving required to keep within the lower budget settlements expected over the next 3-5 years.

- 4.5 Councils across the UK are facing serious financial issues and are making unprecedented service decisions to ensure they can stay within the resources available, however some have not been able to do so and are facing severe public criticism.
- 4.6 The assumptions made above are well informed but a number of other factors will need to be planned for over the coming years such as:
- The big increase in people aged over 75 and the additional care costs associated with this, along with the increase in single person household and a reduction in Council Taxes.
  - The ageing population will have fewer younger workers, leading to lower revenues from taxes and therefore less funding being available for public services.
  - Technology is expected to automate a significant numbers of roles, over the next 10-20 years, with roles changing in the skill sets required to carry them out.
  - The Social Security (Scotland) Bill, approved 25 April 2018, means that the majority of social security expenditure powers will transfer to Scotland and

come in to affect by 2021/22. The exact implications of this are not yet known.

- The assignment of VAT which will impact the Scottish budget from 2020/21.

## 5.0 Quarter 1 savings

5.1 At the Council meeting on the 8 March 2018, a savings plan of just over £7.3m was set out in the General Services Revenue and Capital Budget 2018/19 paper. The table below indicates the make-up of the savings by type and also shows the spread across people, place and performance (*this is a first draft of the split between the new portfolios and will be refined as the remits become more defined*). The paper also looks at the impact of these savings on the 2019/20 and 2020/21 budgets.

**Table 3: Make up of Savings Per People, Place, Performance**

Service	Management Efficiencies	Policy Stop/Reduce	Redesign	Sub-total	CASH	17/18 Year 2	Corporate	TOTAL
People	501	1,531	830	<b>2,862</b>	990	73		<b>3,925</b>
Place	666	1,151	25	<b>1,843</b>	182	349		<b>2,373</b>
Performance	451	249	15	<b>715</b>	4	70		<b>789</b>
							289	<b>289</b>
<b>TOTAL</b>	<b>1,618</b>	<b>2,931</b>	<b>870</b>	<b>5,419</b>	<b>1,175</b>	<b>492</b>	<b>289</b>	<b>7,376</b>

This section of the paper summarises progress to date and highlights any potential areas of concern.

5.2 The table below sets out the savings above:

- Savings from Management Efficiency, Policy and Redesign
- The second year impact of 2017/18's savings plans
- Cash savings
- Corporate savings

As shown below the first section indicates that at the end of Quarter 1 services said that 25.5% of their planned savings would definitely be achieved with a further 47% being likely before the year end.

**Table 4: Quarter 1 savings**

		2018/19		2019/20		2020/21		Total
<b>Management Efficiency</b>	Achieved	620,367	38.3%	-	0.0%	0	0.0%	620,367
	Likely	708,350	43.8%	-	0.0%	0	0.0%	708,350
	Amber	89,259	5.5%	20,000	100.0%	40,000	100.0%	149,259
	Red	200,241	12.4%	-	0.0%	0	0.0%	200,241
		<b>1,618,217</b>		<b>20,000</b>		<b>40,000</b>		<b>1,678,217</b>
<b>Policy</b>	Achieved	215,449	7.4%	-	0.0%	0	0.0%	215,449
	Likely	1,560,195	53.2%	203,770	18.4%	(55,000)	-14.2%	1,708,965
	Amber	782,671	26.7%	686,894	62.1%	443,000	114.2%	1,912,565
	Red	372,500	12.7%	215,000	19.4%	0	0.0%	587,500
		<b>2,930,814</b>		<b>1,105,664</b>		<b>388,000</b>		<b>4,424,478</b>
<b>Redesign</b>	Achieved	546,000	62.7%	-	0.0%	0	0.0%	546,000
	Likely	276,427	31.8%	232,367	65.7%	0	0.0%	508,794
	Amber	47,702	5.5%	121,063	34.3%	450,000	100.0%	618,765
	Red	-	0.0%	-	0.0%	0	0.0%	-
		<b>870,129</b>		<b>353,430</b>		<b>450,000</b>		<b>1,673,559</b>
<b>Total</b>	Achieved	1,381,816	25.5%	-	0.0%	-	0.0%	1,381,816
	Likely	2,544,972	47.0%	436,137	29.5%	(55,000)	-6.3%	2,926,109
	Amber	919,632	17.0%	827,957	56.0%	933,000	106.3%	2,680,589
	Red	572,741	10.6%	215,000	14.5%	-	0.0%	787,741
		<b>5,419,160</b>		<b>1,479,094</b>		<b>878,000</b>		<b>7,776,254</b>

This leaves 17.0% (£0.919m) amber and 10.6% (£0.572m) red amounting to potentially £1.392m of savings which are not certain at this point. However this is an early assessment and work continues to verify the position and where possible seek compensatory savings.

5.3 As the timeframe extends forward, the certainty around savings lessens, with 29.5% likely to be achieved. 60.5% either amber or red in 2019/20 and everything amber by 2020/21. This uncertainty is mainly caused by savings plan/business case still being under development or the outcome being dependant on a previous year. As more information becomes available the status will be updated as project delivery become more certain. Appendix A contains the detailed list of savings plans along with their RAG status.

5.4 Year 2 savings, from 2017/18 savings plans are shown below:

**Table 5: Year 2 Savings 17/18**

<b>Year 2</b>	Achieved	37,516	7.6%	-	0.0%	-	0.0%	37,516
	Likely	431,628	87.7%	26,973	40.9%	-	0.0%	458,601
	Amber	-	0.0%	-	0.0%	-	0.0%	-
	Red	23,000	4.7%	39,000	59.1%	78,000	100.0%	62,000
		<b>492,144</b>		<b>65,973</b>		<b>78,000</b>		<b>496,117</b>

The savings are either achieved or will be achieved during the year with the exception of one project (*SCS006a Roll out of Hub model*) which has a red status and effects each of the following years above. Appendix B contains the detailed list of savings plans along with their RAG status.

5.5 Cash savings 2018/19 are captured below:

**Table 6: Cash Savings 18/19**

<b>Cash</b>	Achieved	67,031	5.7%
	Likely	200,334	17.0%
	Amber	908,000	77.3%
	Red	0	0.0%
		<u>1,175,365</u>	

22.7% of these savings are currently achieved or likely to be achieved, however two large projects (*Education Staff budget and Housing budget realignment*) currently have an amber status. Although some of the savings will be achieved, either the full amount is in doubt or there is a potential demand pressure which offsets it to some degree. Work on these continues to clearly establish and any mitigating action can be taken and the savings likely to be achieved.

- 5.6 Corporate savings of £289k were also included in the revenue budget and were based upon the new senior structure being in place from September 2018 (*a 6-month in-year saving*). This has been delayed and so the savings achieved/likely to be achieved are now shown below. However, at least 1 month of this saving may slip into 2019/20 and is being shown as red.

**Table 7: Corporate Savings**

<b>Corporate</b>	Achieved	21,250	1.8%
	Likely	168,750	58.4%
	Amber	49,000	17.0%
	Red	50,000	17.3%
		<u>289,000</u>	

- 5.7 Ensuring that the savings plans for 2018/19 and beyond are achieved will be paramount, as the usable reserves recorded in the draft annual accounts dropped from 4.4% to 3.6% (*the minimum requirement is 3%*) in 2017/18. Setting a 2019/20 budget that avoids using reserves would ensure that this position does not deteriorate further. Appendix C contains the detailed list of savings plans along with their RAG status.

## 6.0 Budget preparation 2019/20 – Savings

- 6.1 Work is also progressing to develop the Council's proposed Budget for 2019/20 and where possible planning for the years beyond that. A number of activities are being undertaken, which will inform the development of future years' priorities and from these will flow the financial plans. Key activities include:

- Using the priority areas identified from the early work with Conveners to update savings plans
- Issuing the draft budget timetable - Appendix D
- Designing the engagement process for this years budget challenge
- Agreeing the external consultation process
- Ensuring that the asset plans support the LOIP and the Council's long term estate strategy, along with the development of a Capital Strategy

- Reviewing other Local Authorities savings plans to ensure we are covering all potential areas

6.2 The timetable brings forward a number of the tasks to ensure that a balanced budget can be agreed in December 2018/January 2019. Getting the savings plan in place is vital to this process and these are being developed ready for consideration by elected members. Monthly briefing sessions will take place with elected members to ensure they are fully briefed on progress.

## **7.0 Capital Asset plans**

7.1 Services have submitted their asset plans and these are being reviewed to ensure that they support aspirations for both the organisation and the community. An overarching capital strategy will be developed that will set out the vision for the next 30 years of investment and the benefits that will accrue. The strategy will develop a priority based approach, based on strategic need and risk, so that capital is invested in the right places, at the right time. Work will begin on the strategy in the coming weeks.

7.2 When reviewing these plans the focus will be on ensuring that they support long term planning and not short term needs, except where that is required for statutory compliance or unavoidable expenditure.

7.3 The School Estate Strategy is a significant part of the longer term plan and helps focus where we need to develop services, housing and transport links. Schools are a fundamental part of any community and getting their position and structure correct has been the basis of strategic work being taken forward by Education.

## **8.0 Sustainability Implications**

8.1. N/A

## **9.0 Resource Implications**

9.1 *Financial Details*

9.2 Accountancy has been consulted and has agreed the financial implications as set out in the report.

## **10.0 Exempt Reports**

10.1 Is this report exempt? No

## **11.0 Declarations**

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Council Policies** (Please detail)

Budget Strategy

## **12.0 Equalities Impact**

12.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? N/A

## **13.0 Legality**

13.1 It has been confirmed that in adopting the recommendations contained in this report,



the Council is acting within its legal powers. **Yes**

#### 14.0 Appendices

Appendix A - Schedule of Savings

Appendix B - Year 2 Schedule of Savings

Appendix C - Cash Savings

Appendix D - Budget Timeline

#### 15.0 Background Papers

15.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

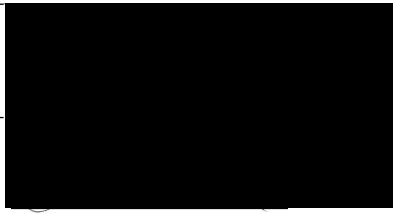
Council Budget 2018/19, March 2018

CIPFA Directors of Finance monthly Briefing June 2018

##### Author(s)

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##### Approved by

NAME	DESIGNATION	SIGNATURE
Paula Tovey	Chief Accountant (Interim)	
Stephen Coulter	Head of Resources and Governance	



Schedules of Savings																
Management Efficiencies																
Change values here only																
Cant be changed as basis of budget																
Service Reference	Description of Saving	2018/19				2019/20				2020/21						
		Achieved	Likely to be achieved	Amber	Red	Achieved	Likely to be achieved	Amber	Red	Achieved	Likely to be achieved	Amber	Red			
EDUME01	PEOPLE	Additional full year impact of 2017/18 savings	134,418			134,418	134,418	-								
EDUME02	PEOPLE	Early Years Seniors include in ratios	225,640			225,640	225,640									
SSME01	PEOPLE	Staff travel. Increased use of lease cars	15,000			15,000	-	15,000								
SSME02	PEOPLE	Development of Call Handling Approach	0	20,000	40,000	60,000						20,000			40,000	
SSME03	PEOPLE	Budget realignment childcare income	32,000			32,000			32,000							
DEME10	PEOPLE	Modern Apprentice Scheme Ending March 18	13,450			13,450	3,360	10,090								
HCSGFME03	PEOPLE	Storage costs (Homeless)	12,000			12,000	12,000									
HCSGFME05	PEOPLE	Homeless Repairs (budget re-alignment)	60,000			60,000	-	60,000								
HCSGFME06	PEOPLE	Gas/Electric costs homeless lets	8,000			8,000	8,000									
RGME01	PERF	Release Fraud manager on VR. Backfill governance officer vacancy with fraud skilled officer at G6	52,643			52,643	52,643									
RGME02	PERF	Release 2XICT CSO (G6)	34,954			34,954	34,954									
RGME03	PERF	Release 2XG6 (ICT Technical Support Officers) and create 1XFTE Project Support Officer (G7)	35,449			35,449	35,449									
RGME04	PERF	Release Committee Service officer post (G6) on retirement of post holder	31,345			31,345	31,345									
RGME05	PERF	Release unused budget from governance manager post that is not required to fund new L&DSM	10,859			10,859	10,859									
RGME07	PERF	NEW Procurement Income	2,000			2,000		2,000								
SCSME01	PERF	Reduce Emergency Planning Budget	18,000			18,000	18,000									
SCSME02 prev 3	PERF	Budget realignment of health policy officer budget	10,000			10,000	10,000									
CORPME02	PERF	Mileage and Expenses efficiencies	78,000			78,000		78,000								
CORPME03	PERF	no increase in superann contri 2018/19	178,000			178,000		178,000								
HCSGFME01	PLACE	Staffing (deletion of vacant posts)	126,000			126,000	126,000									
HCSGFME04	PLACE	Re-alignment of B&B budget	20,000			20,000	-	20,000								
HCSGFME07	PLACE	Profile Security (budget re-alignment)	36,000			36,000	-	30,000	6,000							
HCSGFME08	PLACE	Staff on redeployment list	124,500			124,500	6,000		118,500							
HCSAME01	PLACE	Buildings already sold / closed: LTH; 15/15A Mar Street, Tullibody Rent Office, Greenfield	117,228			117,228	117,228									
HCSAME02	PLACE	Social Work property given up already – 2A Main Street Cambus; 2 Eden Road, Alloa; Katrine Court	8,861			8,861	8,861									
HCSAME04	PLACE	Nursery Rates Relief	18,590			18,590		18,590								
DEME02	PLACE	Reduce staff costs Planning & Building Standards	20,000			20,000			10,000	10,000						
DEME03	PLACE	Remove 2 FTE posts in Regulatory Service (Sustainability)	78,000			78,000			41,259	36,741						
DEME04	PLACE	Janitorial overtime	5,000			5,000	1,250	3,750								
DEME05	PLACE	Streetcare overtime budget for weekend working	35,000			35,000	-		35,000							
DEME06	PLACE	Streetcare external maintenance budget	30,000			30,000	-	30,000								
DEME07	PLACE	Streetcare short term vehicle hire	7,280			7,280	-	7,280								
DEME08	PLACE	Remove Gartmorn Dam building costs	40,000			40,000	10,000	30,000								
			1,618,217	20,000	40,000	1,678,217	620,367	708,350	89,259	200,241			20,000			40,000
																20,000
																40,000

## Schedules of Savings

## Policy

Service Reference		Description of Saving	Cant be changed as basis of budget				Change values here only				2018/19				2019/20				2020/21			
			2018/19	2019/20	2020/21	Total	Achieved	Likely to be achieved	Amber	Red	Achieved	Likely to be achieved	Amber	Red	Achieved	Likely to be achieved	Amber	Red				
EDUP01	PEOPLE	Cessation of Music Tuition Service	69,090	41,454		110,544	-		69,090						41,454							
EDUP02	PEOPLE	Peripatetic Early Years Teachers	100,000	60,000		160,000	-	100,000						60,000								
EDUP03	PEOPLE	Revised Primary school class configurations	366,750	141,810		508,560	-		366,750						141,810							
EDUP05	PEOPLE	Removal or full cost recovery breakfast clubs	11,640	6,990		18,630	-	11,640						3,360	3,630							
EDUP07	PEOPLE	Removal or full cost sport development	54,584	32,751		87,335	-	54,584						32,751								
EDUSR01	PEOPLE	Removal or full cost recovery Kidzone Out of School Care	20,000			20,000	-	-	20,000													
EDUSR02	PEOPLE	20% reduction learning assistants	218,810	18,770		237,580	-	218,810						18,770								
SSP01	PEOPLE	Residential Schools: Develop local community based alternatives. Reduce no. of places by 9. (net saving after allowing for re-providing in local services)	500,000	500,000	43,000	1,043,000	-	300,000	200,000					-	500,000			43,000				
SSP02	PEOPLE	Development of Self Directed Support	5,000			5,000	5,000															
SCSSR16	PEOPLE	Stop - Life Skills Coach - CHL	13,500	13,500		27,000		13,500						13,500								
CORPP01	PEOPLE	Health & social care decrease in RT 2018/19	138,000			138,000		138,000														
DESR01	PEOPLE	Funding for Clackmannanshire Business	23,000			23,000	5750	17,250														
DESR02	PEOPLE	Funding for Tourism	10,500			10,500	10500															
RGP01	PERF	Charge for legal services when advice or work done on behalf of third parties	5,000			5,000																
RGP02	PERF	Removal/reduction of terms and conditions not prescribed by national agreements	200,000	215,000		415,000																
RGSR01	PERF	Cancel mobile phone insurance.	13,894			13,894	-	13,894										200,000	215,000			
RGSR02	PERF	Reduce corporate training budget	25,000			25,000	25,000															
DEP04	PERF	Reduce subsidy to Bandeath stray dog shelter	5,000			5,000		5,000														
HCSSR03	PLACE	Remove public building property inspectors TVR x3 plus one transfer	59,083			59,083	-		59,083													
SCSSR01	PLACE	Move to Online - Stop Community Newsletter/Leaflets	4,000	-		4,000	4,000															
SCSSR02	PLACE	Stop Clacks 1000	8,000	-		8,000	-	8,000														
SCSSR04	PLACE	Reduce Business Support Services - Residual/Vacancies	101,033	-		101,033	-	101,033														
SCSSR05	PLACE	Stop Purchase of Corporate Gifts	1,600	-		1,600	1,600															
SCSSR06	PLACE	Reduce Printing & Photocopying	500	-		500	500															
SCSSR07	PLACE	Reduce Stationary	2,000	-		2,000	2,000															
SCSSR08	PLACE	Reduce PA Support by 3 FTE	44,143	50,000		94,143	-	44,143						50,000								
SCSSR09	PLACE	Reduce Business Sup in Education by 1.0 FTE	10,000	10,794		20,794	-	10,000						10,794								
SCSSR10	PLACE	Reduce Business Sup in Adult Care by 1.0 FTE	15,000	14,595		29,595	-	15,000						14,595								
SCSSR11	PLACE	Reduce Contact Centre staffing by 1.8 FTE	49,179	-		49,179	49,179															
SCSSR12	PLACE	Reduce Book Budget	5,000	-		5,000	5,000															
SCSSR13	PLACE	Remove Community Engagement Budget	9,000	-		9,000	9,000															
SCSSR14	PLACE	Stop - Decommission Coalsnaughton Café Society	9,910	-		9,910		9,910														
SCSSR15	PLACE	Stop - Decommission Clackmannanshire Healthier Lives	83,495	-		83,495		41,748	41,748													
SCSSR17	PLACE	Stop - Decommission Sauchie Active 8	16,000	-		16,000		8,000	8,000													
DEP01	PLACE	Additional income- various roads activities	6,000			6,000		6,000														
DEP02	PLACE	Cease Christmas lights subsidy in Alloa (ATC Bid priority?)	14,500			14,500		14,500														

Service Reference		Description of Saving	2018/19	2019/20	2020/21	Total	Achieved	Likely to be achieved	Amber	Red	Achieved	Likely to be achieved	Amber	Red	Achieved	Likely to be achieved	Amber	Red	
DEP03	PLACE	Close all public toilets (staff costs)	73,000			73,000		39,500		33500									
DEP05	PLACE	Alternative funding planned community infrastructure/maintenance (cash saving for 2 years)	55,000		55,000	-		55,000							-	55,000			
DEP07	PLACE	Reduce parking subsidies			400,000	400,000											400,000		
DESR03	PLACE	Subsidy to Alloa Tower	5,000			5,000	5000												
DESR04	PLACE	OLP Staff savings	17,673			17,673	4,420	13253											
DESR05	PLACE	Cessation of OLP project	354,000			354,000	88500	265,500											
DESR07	PLACE	Stopping the kerbside box collection, but continuing to provide a weekly food waste collection using purpose built vehicles	159,000			159,000		33000		126,000									
DESR09	PLACE	Reduce opening hours at recycling centre	26,000			26,000			13000	13000									
DESR10	PLACE	Close recycling centre on Boxing Day and 2 January	1,700			1,700		1,700											
DESR11	PLACE	Stop accepting tyres at Forthbank recycling centre	3,500			3,500		3,500											
DESR12	PLACE	Charge commercial customers for bins	5,000			5,000		5,000											
DESR13	PLACE	Cease short term hire for refuse collection vehicles	12,730			12,730		12,730											
			<b>2,930,814</b>	<b>1,105,664</b>	<b>388,000</b>	<b>4,424,478</b>	<b>215,449</b>	<b>1,560,195</b>	<b>782,671</b>	<b>372,500</b>	<b>-</b>	<b>203,770</b>	<b>686,894</b>	<b>215,000</b>	<b>-</b>	<b>-</b>	<b>55,000</b>	<b>443,000</b>	<b>-</b>

Schedules of Savings

Redesign

		Cant be changed as basis of budget				update changes in values here												
Service Reference		Description of Saving	2018/19	2019/20	2020/21	Total	2018/19				2019/20				2020/21			
							Achieved	Likely to be achieved	Amber	Red	Achieved	Likely to be achieved	Amber	Red	Achieved	Likely to be achieved	Amber	Red
EDUR01	PEOPLE	Education Assets Team	52,640			52,640	-	52,640	-									
SSR01	PEOPLE	Remove Assistant Team manager Posts (3fte) Note: some posts lost through VR.	150,000			150,000	150,000		-									
SSR02	PEOPLE	Child Psychology Assessment Team (CPAT) Payment to NHS	68,000			68,000	68,000											
SSR03	PEOPLE	Redesign within Management/Strategy - deletion of 2 posts	60,124	34876		95,000	-	60,124	-			34,876						
SSR04	PEOPLE	Early years redesign: commission service from third sector and transfer of staff to education. Net saving	290,000			290,000	290,000											
SSR05	PEOPLE	Replace External Agency Foster Carers with In House Carers X 4 Places	146,000			146,000	38,000	108,000										
SCSR03	PEOPLE	Redesign Local Services - Shift to Digital in line with changing customer preferences	16,000	48,000		64,000		16,000				48,000						
SCSR05	PEOPLE	Redesign Local Services through Empowering Communities	47,702	86,187		133,889		-	47,702	-		86,187						
SCSR07	PEOPLE	Redesign Leisure Services on Expiry of ALB Contract September 2019	0	100,000	450,000	550,000					100,000					450,000		
DER02	PLACE	Pursue SLA for Lighting maintenance (subject to agreement being reached)	25,000			25,000		25,000										
HCSR01	PLACE	Stringent Contract Management of Compliance Contracts – Through having robust long term contracts and proper contract management arrangements for compliance works. Works is in progress	0	50000		50,000			-			50,000						
HCSR02	PLACE	Long Term Measure Term Contracts for Refurbishment and Repair –delivered significant savings in HRA - no reason that the same cannot be achieved with GF				0												
HCSR03	PLACE	Carrying out Refurbishment Work "In House"- A long term strategy to develop project management skills will allow project works to be carried out within PCU Trades.				0												
SCSR01	PERFORMANCE	Redesign Member Services Support	3,150	11,766		14,916		3,150				11,766						
SCSR02	PERFORMANCE	Redesign Kilncraigs Reception model	11,513	22,601		34,114		11,513				22,601						
			<b>870,129</b>	<b>353,430</b>	<b>450,000</b>	<b>1,673,559</b>	<b>546,000</b>	<b>276,427</b>	<b>47,702</b>	<b>0</b>	<b>0</b>	<b>232,367</b>	<b>121,063</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>450,000</b>	<b>0</b>

Year 2 savings (2018/19 savings agreed in 2017/18)

don't change as basis of budget

update changes in values here

Reference		Saving description	2018/19 saving	2019/20 saving	2020/21 saving	Total	2018/19				2019/20				2020/21			
							Achieved	Likely to be achieved	Amber	Red	Achieved	Likely to be achieved	Amber	Red	Achieved	Likely to be achieved	Amber	Red
Managed contraction Education	PEOPLE		33,983			33,983		33,983										
Managed contraction HCS	PEOPLE		38,979			38,979		38,979										
Managed contraction R&G	PERFORMANCE		46,843			46,843		46,843										
MCB SCS 006a	PERFORMANCE	Roll out of hub model	23,000	39,000	78,000	140,000				23,000				39,000				78,000
COU 178 019	PLACE	Income and Charging	-	-	-	-												
Managed contraction SCS	PLACE		174,275			174,275		174,275										
D&E 178 001	PLACE	Street Lighting	100,000			100,000	18,750	81,250										
Managed contraction D&E	PLACE		75,064	26,973		102,037	18,766	56,298			26,973							
			<b>492,144</b>	<b>65,973</b>	<b>78,000</b>	<b>636,117</b>	<b>37,516</b>	<b>431,628</b>	<b>0</b>	<b>23,000</b>	<b>0</b>	<b>26,973</b>	<b>0</b>	<b>39,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>78,000</b>

**Cash Savings Agreed 2017/18**

<b>Reference</b>	<b>Saving description</b>	<b>2018/19 saving</b>	<b>2019/20 saving</b>	<b>2020/21 saving</b>	<b>Cumulative saving</b>	<b>Service comments /impact</b>
Permanent	Housing staffing costs	31,474			31,474	Secondment of redeployed Team Leader to IJB. TL has accepted a TVR package and will leave after August.
Permanent	D&E Modern Apprentice	40,000			40,000	Scheme ends March 2018
Permanent	Strategy and Customer Services vacancy management	11,242			11,242	Business support vacancy management converted to permanent budget saving
	<b>TOTAL</b>	<b>82,716</b>	<b>-</b>	<b>-</b>	<b>82,716</b>	



## Budget 2019/20 Key Milestones, timeline and Outputs

Task/ milestone	Timing	Stakeholders/ attendees	Output
2019/20 Savings	May to 21 June 2018	Heads of Service	First tranche for proposed savings 2019/20: populate template
Service Portfolio Meetings	May to June	Administration Portfolio Holders; Head of Service; Senior Management Team; Service Accountants	Determine priorities and propose savings
Corporate Management Team Challenge Session	August 2018	CMT, (Group Leaders or Admin Group)	Redesign options and models Vision and values refinement
Members Briefing	August 2018	All elected members, Executive Team	Reaffirmation of objectives, principles and processes
TU Briefing	August 2018	TU reps, Executive Team, Chief Accountant	Change Proposals, Business cases Feedback from TUs
HSCP Strategic Plan: Review of Priorities and Funding	August 2018	HSCI Chief Officer, IJB, Chief Executive, Leader and Depute Chief Executive, Chief Accountant	HSCI Strategic Plan priorities linked to resource transfer and savings requirement Demand pressures Service/ locality impact assessment
Budget Challenge Sessions	Late August 2018	Administration, Executive Team, Heads of Service, Service Management Teams, Chief Accountant, Team Leader (Accountant)	Challenge on first tranche of proposals
Capital Bid process	Late August 2018	Capital Investment Group (officer operational group)	Draft capital bid preparation
Business case development	Early September 2018	Executive Team; Chief officers, Chief Accountant, Team Leader (Accountancy)	Business cases incorporating options appraisals; saving proposals, investment requirements and timescales.

<b>Task/ milestone</b>	<b>Timing</b>	<b>Stakeholders/ attendees</b>	<b>Output</b>
Budget consultation: Outline approach internally and externally	Early September 2018	Chief Officer Performance, Depute Chief Executive, Team Leader (Communications), Chief Accountant	Establish consultation outline approach and action plan
Elected Member Forum	September 2018 (monthly)	Elected members, Executive Team, Chief Accountant, Service representatives	Change Proposals, Business cases Elected member feedback
Trade Union Forum	September 2018	TU reps, Executive Team, Chief Accountant	Change Proposals, Business cases Feedback from TUs
Asset Plan Refresh Capital Plan update	September 2018	CMT, Exec Team, Chief Accountant	Review of plans
Member dialogue on budget preparation (detailed evaluation)	September 2018 onwards	Administration and political grouping as appropriate	Indicative budget including necessary savings proposals, policy decisions and prioritisation
HSCP Resource Transfer	Late September 2018	HSCI Chief Officer, IJB, Leader of the Council and Depute Chief Executive, Chief Accountant	Completion of draft resource transfer figure linked to agreed Strategic Plan priorities
Elected Member Forum	October 2018 (monthly)	Elected members, Executive Team, Chief Accountant, Service representatives	Change Proposals, Business cases Capital Bid development Elected member feedback
Trade Union Forum	October 2018	TU reps, Executive Team, Chief Accountant	Change Proposals, Business cases Feedback from TUs
External consultation and engagement	Early November 2018	Chief Officer Performance, Chief Officers, Team Leader (Communications), Chief Accountant	Issued - areas of business case development and emerging options Feedback
Elected Member Forum	November 2018 (monthly)	Elected members, Executive Team, Chief Accountant, Service representatives	Change Proposals, Business cases Capital Bid development Elected member feedback

<b>Task/ milestone</b>	<b>Timing</b>	<b>Stakeholders/ attendees</b>	<b>Output</b>
Trade Union Forum	November 2018	TU reps, Executive Team, Chief Accountant	Change Proposals, Business cases Capital Bid development Elected member feedback
Consultation Outcome	November 2018	Chief Officer Performance, Team Leader (Communications), Chief Accountant	Aggregated Consultation responses from stakeholders for inclusion in the Budget
Income and Charging Strategy Refresh	Mid November 2018	Chief Accountant, Accountancy Team Leader, Chief Officers/ services	Income and Charging Strategy proposals/revisions
Demand Pressures	Mid November 2018	Chief Accountant, Accountancy Team Leader, Chief Officers/ services	Collate draft demand pressures
Capital Bid Corporate Round Table	end November 2018	CMT, Executive Team, Chief Accountant	Draft Capital bids
Draft Demand pressures review	Start December 2018	Executive Team	Refined schedule of demand pressures, clarification query schedule
Income and Charging Strategy Refresh	Start December 2018	Chief Accountant, Team Leader (Accountancy)	Refreshed Income and Charging Strategy scenarios
Elected Member Forum	December 2018 (monthly)	Elected members, Executive Team, Chief Accountant, Service representatives	Change Proposals, Business cases Capital Bid development Elected member feedback
Trade Union Forum	December 2018	TU reps, Executive Team, Chief Accountant	Change Proposals, Business cases Feedback from TUs
HSCP Resource Transfer	Early January 2019	HSCI Chief Officer, IJB, Leader of the Council and Depute Chief Executive, Accountant	Resource transfer position consolidated for integration with Council budget
Finalise demand pressures	Early January 2019	Executive Team	Finalised demand pressures to incorporate within budget

<b>Task/ milestone</b>	<b>Timing</b>	<b>Stakeholders/ attendees</b>	<b>Output</b>
Elected member Forum	January 2019	Elected members, Executive Team, Chief Accountant, Service representatives	Indicative potential savings Draft capital bid proposals Elected member feedback
Trade Union Forum	January 2019	TU reps, Executive Team, Chief Accountant	Indicative potential savings Draft capital bid proposals Feedback from TUs
Income and Charging Strategy	Early January 2019	CMT, Chief Accountant	Finalised schedule of charges and refreshed Strategy.
Pre consultation draft Budget	January 2019	Administration, Depute Chief Executive, CMT, Chief Accountant	Draft Budget subject to consideration of consultation responses.
<b>Budget setting</b>	<b>By end of February 2019</b>	<b>Special Council</b>	<b>Final Budget</b>

<b>Key</b>			
Orange	Consultation	Aqua	Income and charging refresh
Pink	Capital bid development	Yellow	Demand Pressures
Purple	Budget challenge	Red	Budget
Light green	HSCP		