

**Revenue Budget - Medium Term Financial Plan 2019-22**

**Cabinet Member(s):** Cllr Mandy Chilcott – Cabinet Member for Resources

**Division and Local Member(s):** All

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	Relevant Scrutiny Chairman	Cllr Anna Groskop	28/01/19
<b>Forward Plan Reference:</b>	FP/18/11/05		
<b>Summary:</b>	<p>Following the Medium Term Financial Strategy paper considered by Cabinet on 19 December 2018, this report now sets out in more detail the proposals to deliver a balanced budget for 2019/20. It also sets out proposals for 2020/21 and 2021/22 that develop the Council's financial resilience over the long-term while also supporting the delivery of the Council's key priorities within the Council's vision to create:</p> <ul style="list-style-type: none"> <li>• A thriving and productive County that is ambitious, confident and focussed on improving people's lives;</li> <li>• A county of resilient, well-connected and compassionate communities working to reduce inequalities;</li> <li>• A county where all partners actively work together for the benefit of residents, communities and businesses and the environment, and;</li> <li>• A county that provides the right information, advice and guidance to enable residents to help themselves and targets support to those who need it most.</li> </ul> <p>Despite the on-going reductions in Government funding, and the increasing demand for core services, such as in children's and adult services, the Council continues to make progress in delivering quality services to residents, within the resources available to the organisation.</p>		

A key announcement to inform the detailed planning for 2019/20 was the Local Government Financial Settlement, published on 29 January 2019 and confirmed by Parliament on 5 February 2019. This confirmed many of the planning assumptions, for example the limits on council tax increase permissible without a referendum: 3% for general council tax and a cumulative 6% over three years (2017-2020) for adult social care. Having applied a total of 5% in the prior two years, this report proposes the final 1% increase in adult social care council tax flexibility is taken up in 2019/20.

The Council also welcomed the announcement as part of the Financial Settlement that Somerset has been accepted as a 75% Business Rate Pilot alongside the County's district and borough councils for 2019/20. This presents an opportunity to develop partnership working across local government in Somerset to benefit the economic prosperity of the County as well as apply some relief to the financial challenges of each partner. However, since this is a one-year pilot, the opportunities will be limited.

Planning beyond 2019/20 with certainty remains a significant challenge since 2019/20 is the final year of the four-year settlement period and a Spending Review (SR) is being prepared by the Government for consultation in 2019 and due to apply from 2020/21. Alongside a new SR, the Government are also reviewing the system behind funding allocations (known as the Fair Funding Review) and have published two further consultations as part of the Financial Settlement for response by 21 February 2019: Business Rate Reform consultation and Relative Needs and Resources consultation.

Alongside the Financial Settlement, a number of other non-service specific grants have also recently been announced which have been built into the financial plan. Although these have confirmed the previous planning assumptions in many instances, the Council has an estimated additional funding of £7.172m. Most of this funding (£7.085m) relates to additional S31 grant allocations for non-domestic rates relief, as a result of the Somerset councils' successful 75% Business Rates Pilot bid. In accordance with the Government's treatment of some grants for pilot authorities and the Somerset pilot application, (see Table 12 on page 28 for further details) the net gain to the Council is £1.970m compared to original MTFP assumptions and after allowing for the creation of a £4.015m county-wide investment fund as described in the bid. It is worth noting that these figures can only be based on estimated business rate collection levels and the actual S31 grant allocated will be based on actual collection levels in due course.

Within the planning assumptions, there are also several grants (totalling £9.347m) where the Council has yet to receive any formal confirmation. As above, the service teams have used their service knowledge and past allocations to determine the value (if any) of allocations due in 2019/20 and concluded that £9.347m is a reasonable estimate. Any variations to the estimates will be reported to members during the year through the budget monitoring process.

As reported in the Medium-Term Financial Plan Strategy paper in December 2018, the detailed work on the County Council's finances showed that the Council requires to spend £338m on delivering its services to residents in 2019/20. It also showed that the funding available fell short of that and after implementing several initiatives a further set of proposals for change to the value of £15.061m were required for 2019/20 to set a balanced budget. Of this sum, decisions relating to approximately £6.899m of proposals have already been made and details of the remaining £8.162m of proposals are set out in this paper for consideration by Cabinet and recommendation to the Council accordingly.

Across all three years of the MTFP (2019-22), the financial analysis in December 2018 showed that the funding falls short of need by £28m in total (including the £15.061m above), so the Council needs to consider what it delivers and how it is delivered to reduce spend in line with funding.

This report includes details of actions necessary to manage spend down as well as details of further change plans to ensure a robust and balanced budget is prepared for 2019/20 for consideration and approval by members.

Whilst this paper sets out detailed proposals for 2019/20, including risks and equality implications, and outline plans for 2020/21 and 2021/22, in view of a new settlement and formula expected for these latter years, it is not considered prudent to drive hard for further savings proposals to be developed at this time. It is, however, essential to recognise that any proposals not agreed for 2019/20 will have a negative effect on 2020/21 and beyond.

Elsewhere at this meeting, the quarter three 2018/19 budget monitoring position for the current financial year reflects the continued good progress in delivery of in year proposals agreed in September 2018 and ongoing management of the budget: forecasting an underspend of £1.067m. As advised in December 2018, opportunity has been taken to partially replenish the Council's diminished reserves, which will support the financial resilience of the Council and hence the MTFP 2019-22.

Overall, it is considered that the budget for 2019/20 and the MTFP for the period to 2022 have been prepared on a robust basis, identifying known pressures and making reasonable assumptions about future funding and other potential pressures. In particular there has been a focus on ensuring that the financial provision for Children's Services is rebased to provide a realistic budget for the continued improvement journey in that area. The improved projection for the General Fund reserve will further support the Council through future uncertainties, especially the outcome of the Spending Review 2019 and the outcome of the Fair Funding Review, both impacting 2020/21.

**Recommendations:**

That the Full Council:

1. Agree a gross revenue budget of £780.181m and a net revenue budget in 2019/20 of £327.967m
2. Agree the application of up to £2.791m in 2019/20 of capital receipts to fund the revenue costs associated with reforming services, subject to further development and review of business cases.
3. Delegate authority to the S151 Officer, in consultation with the Chief Executive and the Director for Customers & Communities – Corporate Affairs to review all business cases before agreeing to the use of capital receipts or the Invest to Save reserve.
4. Agree the replenishment of depleted reserves as follows:
  - a. Create Invest to Save earmarked reserve of £2.852m to ensure resources are available to support further service reform;
  - b. Addition of £2.000m to the General Fund, from the base budget provision, to bring the balance up towards a reasonable level for a Council of this size, and;
  - c. Contribute an additional £3.389m to repay the Buildings Maintenance Insurance Scheme (BMIS) deficit reserve as the scheme has now ended;
  - d. Addition of £0.540m to the Insurance Fund to partially replenish the fund to enable it to support likely claims against the Council.
5. Agree the actions required to manage the gap to be reduced to £15.112m in 2019/20:
  - the reversal of previously identified savings and technical adjustments totalling £18.154m as set out in paragraph 4.5 and Appendix A
  - approve the revised Minimum Revenue Provision (MRP) statement and policy (Appendix B), which delivers a saving in 2019/20 of £3.714m;
  - the reduction of the corporate contingency by £0.575m to £7.226m for 2019/20;
  - the use of the additional one-off Adult Social Care grant of £2.498m to meet the requirements set out by Government for this grant;
  - the use of the additional one-off Social Care grant of £4.267m for social care pressures, and;
  - approve the removal of the staff unpaid leave saving of £0.454m following rejection of the proposal by the Unions.
6. Agree the proposals for change (as set out in Appendices D and E1-E5) necessary to set a balanced budget for 2019/20, totalling £8.162m, and delegate the implementation to the relevant director(s) following due process.

7. Agree that due regards have been taken to any equalities implications identified and risk implications prior to any decision being taken in relation to the recommendations in this report, noting the initial equalities impacts as set out in Appendix C.
8. Agree that the savings target relating to Waste Disposal costs (£225k) is endorsed to the Somerset Waste Board to consider agreeing to make savings to this value as part of setting its 2019/20 budget.
9. Agree the Strategy for the Flexible use of Capital Receipts (CRF) as set out in this report, in section 4.38.
10. Agree to keep the Scheme of Members' Allowances unchanged for 2019/20.
11. Note that the Leader of the Council, Cabinet Member for Resources, Chief Executive and Section 151 Officer will oversee and monitor the delivery of the proposals for change and report on progress as part of the budget monitoring reports.
12. Delegate authority for the development of any additional alternative proposals for change that may be necessary to the Chief Executive in consultation with the Section 151 Officer and relevant Director(s).
13. Agree that the Cabinet and the Council have reviewed and confirmed that account has been taken of the Section 151 Officer's assessment of the robustness of estimates and adequacy of reserves as set out in section 6 of this report.
14. Agree the Reserves and Balances Policy Statement in Appendix K
15. Agree to increase the level of the general Council Tax by 2.99%, which will provide a further £7.073m to support the Councils expenditure.
16. Agree to increase Council Tax by a further 1% for the adult social care precept, which will provide a further £2.365m to support the growth in demand for services.
17. Agree to continue the Council Tax precept of £12.84 within the base budget for the shadow Somerset Rivers Authority (representing no increase). This results in a Council Tax Requirement of £2.547m
18. Agree to set the County Council precept for band D Council Tax at £1,239.73 which represents a 3.99% uplift. This is a rise of £0.91 per week for a Band D property, as set out in Appendix H.
19. Note that the amount of council tax payable for dwellings listed by valuation band, calculated in accordance with the proportion set out in Section 5(1) of the Local Government Act 1992, shall be as follows:

Valuation Band	Amount (£)
A	826.48
B	964.23
C	1,101.98
D	1,239.73
E	1,515.23
F	1,790.72
G	2,066.22
H	2,479.46

20. Agree that the district councils are requested to make payments totalling £245.955m to Somerset County Council of sums due under precepts calculated in proportion to their council tax Band D equivalents as follows:

District	Total Precept (£)
Mendip District Council	50,204,179.15
Sedgemoor District Council	50,839,974.83
South Somerset District Council	74,713,671.47
Somerset West & Taunton	70,196,974.55
<b>Total</b>	<b>245,954,800.00</b>

21. Note that the district councils are required to make payments of precept by equal instalments of the above sums on the following dates:

18	April	2019	18	October	2019
22	May	2019	18	November	2019
21	June	2019	17	December	2019
22	July	2019	20	January	2020
20	August	2019	18	February	2020
19	September	2019	18	March	2020

22. Additionally, note that payments be made by the district councils (or to them) in respect of the estimated surplus/(deficit) on their collection funds by the 31 March 2019 as follows:

District	CT Surplus / (Deficit) (£m)	NNDR Surplus / (Deficit) (£m)
Mendip	1,057,895.00	(203,931.00)
Sedgemoor	1,167,384.67	13,504.00
South Somerset	(169,962.55)	133,579.00
Somerset West and Taunton Council	746,092.00	299,679.00
	2,801,409.12	242,831.00

<p><b>Reasons for Recommendations:</b></p>	<p>Preparing a coherent, confident and realistic Medium Term Financial Plan (MTFP) for the County Council is essential to ensure that the corporate plan and service delivery priorities of the Council can be achieved, and that financial sustainability can be secured.</p> <p>Furthermore, preparing a robust and deliverable budget for the forthcoming financial year, 2019/20, is a statutory obligation as well as being key to the effective management of the Council.</p> <p>The Council is required by law to make a statement on the Minimum Revenue Provision. This is the annual provision made from the Revenue Budget in line with our statutory requirements and is central to managing debt liabilities and generating the potential for headroom for new borrowing if affordable and required.</p> <p>The recommendations also recognise the separate responsibilities for:</p> <ol style="list-style-type: none"> <li>1. The County Council to set the Annual Budget for 2019/20</li> <li>2. The Leader of the Council, Cabinet and Officers to manage services, approve savings proposals and make changes within the overall envelope of the agreed budget, Schemes of Delegation and the Council's Financial Regulations.</li> </ol>
<p><b>Links to County Vision, Business Plan and Medium Term Financial Strategy:</b></p>	<p>Preparing a coherent, confident and realistic Medium Term Financial Plan (MTFP) for the County Council is essential to ensure that the corporate plan and service delivery priorities of the Council can be achieved, and that financial sustainability can be secured.</p>
<p><b>Consultations and co-production undertaken:</b></p>	<p>No detailed consultations have been undertaken at this time, but such consultation as is required will be arranged as the agreed proposals for change are developed and implemented by the relevant directors.</p>
<p><b>Financial Implications:</b></p>	<p>This report describes the overall financial position of the Council for future years; all financial implications are described within the report.</p> <p>The Council's financial position has been set out in this report. Members are under a legal obligation (Local Government Finance Act 1992) to set a balanced budget and in doing so are obliged, under normal administrative principles, to take into account the various relevant factors, particularly in respect of consultation and equalities. Members are entitled to exercise their political judgement, paying due regard to the relevant factors rather than being absolutely determined by them.</p>
<p><b>Legal Implications:</b></p>	<p>It is a statutory requirement under the Local Government Finance Act 1992 for the Council to set a balanced budget by 11 March of the preceding financial year.</p> <p>The proposals in this report enable the County Council to meet its statutory requirements in respect of:</p> <ul style="list-style-type: none"> <li>• Determining a balanced budget;</li> </ul>

	<ul style="list-style-type: none"> <li>• Setting a Council Tax Requirement;</li> <li>• Issuing Precepts on the District Councils;</li> <li>• Making a statement on the Minimum Revenue Provision.</li> </ul> <p>The provisions of section 25, Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the statement of the chief finance (s.151) officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.</p> <p>The report sets out the relevant considerations for Members to consider during their deliberations and Members are reminded of the need to ignore irrelevant considerations. Members have a duty to seek to ensure that the Council acts lawfully.</p> <p>Members are also individually reminded that Section 106 of the Local Government Finance Act 1992 applies to this meeting. Members who are two months or more in arrears with their Council Tax must declare this to the meeting and must not vote on budget recommendations, as to do otherwise can be a criminal offence.</p>
<p><b>HR Implications:</b></p>	<p>There are no specific HR implications arising directly from this report, but the Council will follow its HR policies and processes as directors implement agreed, relevant specific proposals for change.</p>
<p><b>Risk Implications:</b></p>	<p>The Government's continued deficit reduction programme has significantly reduced the levels of funding available to local government. The Council faces substantial on-going challenges to achieve a sustainable balanced budget due to this and the increasing demand on its key services, especially those for vulnerable children and adults.</p> <p>It is important that Members understand the risks to approved budgets, maintaining enough reserves, balances and contingencies as well as managing a range of mitigations to limit as much as possible potential impacts on core services, especially those prioritised in the County Plan. As savings become ever more difficult to identify and then deliver, it is imperative that expenditure is kept within existing budgets.</p> <p>The key risks are identified on the strategic risk register and particularly within risk ORG0043. These include:</p> <p>1 The availability and use of reserves and the revenue contingency: these are critical in being able to manage peaks in demand and costs incurred. This report recognises the need for adequate reserves and contingencies and aims to adopt a reasonable approach to maintaining both.</p>



2 The potential for overspends in specific demand led service budgets: these seem to be more stable in recent months although the outlook for some demand led areas can alter relatively quickly. The risk of overspends continues to be mitigated through detailed budget review and challenge sessions which are generating an improved understanding of the budget and hence actions, which are delivering improved control of expenditure within all services.

3 Setting a balanced budget for 2019/20: this report sets out the principles of the creation of the budget and how resources can be allocated to deliver priority services.

This risk is reassessed on a monthly basis to determine if the likelihood of the risks set out in the register can be reduced. Given the assessment in this report, it is felt that the likelihood score can reduce following consideration and approval of the budget for 2019/20 in February 2019.

<b>Likelihood</b>	<b>5</b>	<b>Impact</b>	<b>5</b>	<b>Risk Score</b>	<b>25</b>
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**Other Implications (including due regard implications):**

**Equalities Implications**

It is essential that decision makers ensure that consideration is given to legal obligations, in particular the need to exercise the equality duty under the Equality Act 2010, to have due regard to the impacts based on sufficient evidence appropriately analysed. This however does not prevent the Council from making difficult financial decisions, such as the reductions in service or decisions which may affect one group more than another.

The public sector equality duty is that a public authority must, in the exercise of its functions, have due regard to the need to:

- (1) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it

What the duty requires is consideration of all available information, including the potential impacts and mitigations to ensure a fully informed decision is made.

Any decision made in the exercise of any function is potentially open to challenge if the duty has been disregarded. The duty applies both to Full Council when setting the budget and to Cabinet when considering particular decisions.

Equality Impact Assessments (EIAs) have been undertaken for each of the savings proposals, where necessary, and an overarching EIA commentary has been included within this section and in Appendix C.

**Cumulative Equality and Diversity Impacts for the 2019/20 Medium Term Financial Plan (MTFP) (see Appendix C)**

Based on the proposals put forward within this report there are a number of impacts, which, when looked at together, could have combined impacts on characteristics protected under the Equality Act 2010. They are:

- There are a number of proposals that could affect **disabled people**. This could be through what services are available for people to access, the services that are available being reduced or their ability to navigate Somerset independently.
- **Women** are also more likely to be impacted by a combination of proposals. As women are still more likely to provide a child or adult caring role they could be disproportionately affected by the changes to support services for disabled people and young people.

When considering these identified cumulative impacts, it is also worth considering the outstanding elements from decisions taken in-year. This could be because the decision has been delayed due to consultation being completed or a phased implementation to a decision already taken. When these are looked at they can contribute or create new cumulative impacts such as:

- **Women** could be further impacted with the remainder of the reductions in funding to Advice Services. The additional reductions in youth services could place more of a burden on women who are more likely to be the main care givers in a home. This could then be further impacted by reductions to support provided to families.
- Taking these additional savings into account there could be a cumulative impact on **young people**. This would be through a further reduction in youth services, and the support provided to their parents through the GetSet services.

There are some mitigations identified within the individual proposals to minimise the impacts identified. This includes

- working with the voluntary and community sector to provide some of the support services we currently provide
- providing sign posting and advice on alternative areas of support and services

### **Community Safety Implications**

There are no community safety implications arising from the contents of this report.

### **Sustainability Implications**

There are no sustainability implications arising from this report.

	<p><b><u>Health and Safety Implications</u></b></p> <p>There are no health and safety implications arising from this report.</p> <p><b><u>Privacy Implications</u></b></p> <p>There are no privacy implications arising from this report.</p> <p><b><u>Health and Wellbeing Implications</u></b></p> <p>There are no health and wellbeing implications arising from this report.</p>
<p><b>Scrutiny comments / recommendation (if any):</b></p>	<p>Each Scrutiny Committee will have considered the budget and proposals for change relating to their respective service areas before the Cabinet meets. Feedback from the Scrutiny Committees will be made available to the Cabinet at their meeting.</p>

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## 1. Introduction

- 1.1. The current financial climate faced by the Council means focused attention to setting a robust balanced budget for 2019/20 and proposals for the subsequent two years has been an extensive process. It has involved the Cabinet and Scrutiny Committees, commencing with a strategic, top down process starting in the late summer and continuing to develop detailed budget proposals throughout the autumn that take account of the Council priorities anchored in the Corporate Plan.
- 1.2. The Cabinet has been actively engaged in this planning process, formally through a Cabinet paper in September 2018 proposing in-year actions to manage the forecast overspend budget position for 2018/19 and in December 2018 to consider the strategic direction of the MTFP for the period 2019-22.
- 1.3. This paper builds upon the report presented to the Cabinet in December 2018. It sets out the technical details of the Local Government Financial Settlement, how this impacts the budget for 2019/20 and it describes the proposals for change recommended by Cabinet on 11 February 2019. Information on the potential budgets for the financial years 2020/21 and 2021/22 is also set out in this report, not least because of the strong inter-relationship between the financial years.

## 2. National context for Public Finances

- 2.1. Whilst the Local Government Financial Settlement for 2019/20 detailed below gives certainty for the Council's core Government funding for 2019/20, this is the final year of the current four-year Spending Review meaning that the funding for 2020/21 and 2021/22 is much less certain. Both the Chancellor of the Exchequer in his Autumn Statement (29 October 2018) and the Secretary of State for the Ministry of Housing, Communities and Local Government (MHCLG) when he announced the Settlement on 29 January 2019, have acknowledged the desire of the sector for an early and a multi-year Settlement into 2020/21 and beyond, although no firm proposals exist. Contrary to some media reports suggesting that 'austerity is over', the Institute of Fiscal Studies analysis has identified that despite the Government's continued trend of announcing additional resources to top up previous plans, set out in the four-year settlement in 2016, these have not kept pace with rising spending pressures.

They comment that the reduction in public spending is expected to continue until 2022/23 and that, as in the past, non-NHS departments will face further real terms cuts of around 6.5% beyond 2020. Indeed, the Local Government Association has estimated that authorities face a funding gap of £3.2billion in 2019/20, so there seems to be no prospect of the financial pressures easing soon.

- 2.2. In the autumn of 2018 the Government announced some additional funding for Adult Social Care as follows:

- *2018-19 Winter Pressures Grant*

In early October the Secretary of State for Health and Social Care Matt Hancock announced the Winter Pressures Grant; an additional £240m in 2018-19 for social care to prevent bed-blocking. Whilst recognising the reductions in Delayed Transfers of Care (DToc) the Minister said, "*This additional funding is intended to enable further reductions in the number of patients that are medically ready to leave hospital but are delayed because they are waiting for adult social care services*". The £240m has been allocated according to the adult social care relative needs formula, which for this Council means £2.498m.

- *2019-20 Winter Pressures Grant and Social Care Support Grant*

In the autumn Budget the Chancellor announced a repeat of the £240m Winter Pressures Grant for 2019/20 and, although allocated on the same basis as for 2018/19, there is a requirement to pool these funds into the Better Care Fund (BCF) via the improved BCF.

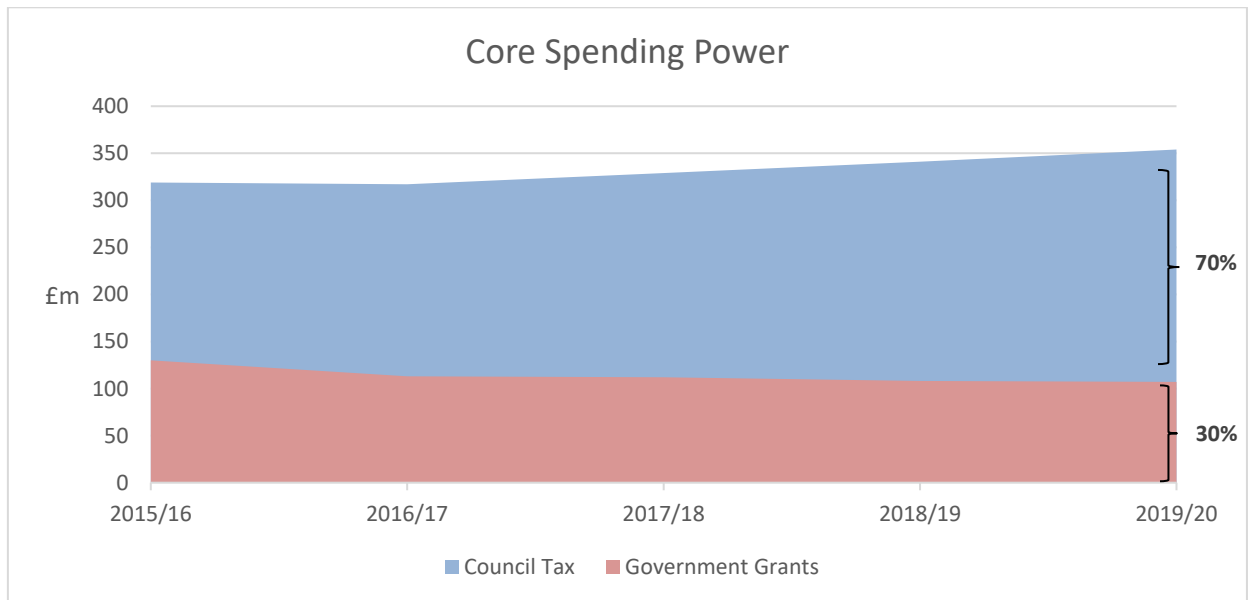
- An additional £410m for adults and children's social care was also announced and this council will receive £4.267m. Whilst the money is un-ringfenced MHCLG has said that "the funding has been given in response to councils' concerns about pressures on adult and children's social care services and the expectation is that councils will use the funding to meet those pressures".

- 2.3. The Settlement reiterates the Government's intention to publish a green paper on Adults' Social Care. Although no precise date is known, the Secretary of State for MHCLG has indicated that this will be published 'soon' and in the summer the Government had confirmed that it will include proposals for younger adults as well as support for older people.

- 2.4. Further, the Government have published their 10-year NHS plan in January 2019, which sets out how they aim to improve the quality of patient care and health outcomes and includes outlining how it will spend the £20.5 billion budget announced by the Prime Minister in summer 2018. Although details are not yet known this does indicate a commitment to increased NHS funding which may adversely impact on the funding available for local government.
- 2.5. Nationally all sections of the Dedicated Schools Grant are facing cost pressures with the most significant pressure on the High Needs Block. This national position applies to this Council and as part of the management actions to address the pressures a detailed High Needs Deficit Recovery Plan is being progressed with Somerset Schools Forum to identify action required to bring spend back in line and set clear additional action to address the recovery the cumulative deficit position.
- 2.6. The second year of the Government's national 2% pay offer for local government workers is in 2019/20 and although the Government are funding these costs for NHS pay, this is not the case for local government and therefore local authorities must absorb the extra spending pressure from within the reducing funding available from central Government. For this Council, the 2% pay pressures (including increments) amounts to £3.017m, which has been budgeted for accordingly. There is no clarity about likely awards beyond 2019/20, so the MTFP (2019-22) proposals include a provisional pay award budget of £1m for the latter two years.
- 2.7. Alongside the Settlement figures for 2019/20, the MHCLG have launched two consultations relating to the on-going review of future funding of Local Government, both with a response deadline of 21 February 2019:
- Fair Funding Review proposals, which will determine the relative needs and resources distributions across local authorities, and;
  - the future system design of Business Rates Retention, which will specify the details for business rate reform and increased local retention.
- 2.8. The Government have reiterated their plan to implement the reformed funding system with effect from 2020/21 and published an expected timeline for consultation over the summer 2019, with detailed exemplifications (where an authority may be able to assess the likely financial impact for them), available in the autumn 2019. Therefore, this MTFP includes prudent assumptions for the latter two years, broadly that the Councils' level of core funding will continue as for 2019/20 i.e. no material difference for future years. The Council will pro-actively engage with the Government in the development of the new system to ensure an improved share of the funding allocation for Somerset residents.
- 2.9. The key points from the Local Government Financial Settlement are:
- No change to allocations for authorities, including this Council, who took up the four-year deal except for the removal of 'negative Revenue Support Grant (RSG)' from the settlement via forgone business rate receipts. Somerset was not impacted by the negative RSG and hence received no benefit of this additional funding.
  - General Council Tax precept increase threshold, above which a referendum would be required, was confirmed as expected at 3%, except for Northamptonshire County Council who have been given a threshold of 5%. This will raise £7.073m for the Council.

- The Adult Social Care precept increase threshold will remain at 2%, with a total not exceeding 6% between 2017-20. Having already increased by 5% in the previous two years, this means the limit for this council is 1% in 2019/20, which will raise an additional £2.365m.
- A total of 15 new 75% BRR pilot areas, for 2019/20 only, were announced. This includes Somerset and the continuation of 100% pilots in Devolution Deal Areas in 2019/20 plus 75% BRR pilots in London, Berkshire, Buckinghamshire, East Sussex, Hertfordshire, Lancashire, Leicestershire, Norfolk, North & West Yorkshire, Northamptonshire, North of Tyne, Solent authorities, Staffordshire & Stoke, West Sussex and Worcestershire. This will generate an estimated additional gain for Somerset area of £8.4m, with £4.0m being allocated to a county wide pot for use to generate economic growth across the area and the County Council specifically a receiving a gain of an estimated £1.7m.
- An increase of £16m to a national total of £81m for the Rural Service Delivery Grant was announced. This is an increase from £1.928m to £2.403m for this Council.
- An additional £20m has been awarded to support housing growth and will be paid via New Homes Bonus (NHB), taking the national total up to £918m. This increases the Council's funding by £0.155m to £2.390m for 2019/20. The Government have increased this allocation to enable the Government to sustain grant allocations based on housing growth above 0.4%. Further, a consultation how to incentivise housing growth most effectively is expected in 2019.
- A new allocation of £0.087m funds for 2018/19 and 2019/20 to all authorities to assist with Brexit preparations.

2.10. Within the Settlement, the Government publishes what it calls an analysis of 'core spending power (CSP)' for each authority. This makes assumptions about the level of each authority's own local resources (i.e. Council Tax) and combines this with the core funding allocations made by Government. The stated aim of this analysis is to ensure Government allocates its grant reductions to achieve a roughly equal percentage change in authorities' CSP totals while keeping its own expenditure within HM Treasury limits. This aim is what led to the negative Revenue Support Grant (RSG) position as part of the four-year settlement in 2016/17. Although not directly affected by negative RSG, this Council, alongside others, has seen its proportion of government grant and local funding alter considerably over the last five years, from 41%:59% in 2015/16 to 30%:70% in 2019/20, as illustrated by the chart below:



- 2.11. The above shift is despite the Government having amended the grants included and it now includes improved BCF and adult social care support grant. Whilst the national increase between 2018/19 and 2019/20 is 1.03%, the increase for this Council is 3.8%, although this does assume the maximum increase in council tax by all authorities.
- 2.12. As well as core funding details announced through the Financial Settlement various other service specific grants have also recently been confirmed and details are explained later in this report. However, at the time of this report, the Council awaits confirmation of £9.347m of service specific grants and the budget proposals have been built on the basis that the level of spending will match the levels of grant assumed and be adjusted accordingly if relevant.
- 2.13. Due to the absence of any Spending Review after 2019/20, and in view of the upcoming review of local government funding promised by Government through the Fair Funding Review (FFR) and Business Rate Retention (BRR) reviews, together with the economic uncertainty around how the UK will leave the EU, there is a high level of uncertainty in planning the level of funding beyond 2019/20.

### **3. Local context – Council Plan priorities**

- 3.1. The Councils MTFP (2019-22) budget is set to ensure that the Council can deliver on the priorities set out in the County Vision which acknowledges the need to refocus increased resources into prevention and demand management over time in line with the improving lives strategy and to support the longer-term sustainability of the Council.
- 3.2. Our Vision is all about improving lives by creating:
- A thriving and productive County that is ambitious, confident and focussed on improving people’s lives;
  - A County of resilient, well-connected and compassionate communities working to reduce inequalities;
  - A County where all partners actively work together for the benefit of our residents, communities and businesses and the environment in which we all live, and;

- A County that provides you with the right information, advice and guidance to help you help yourself and targets support to those who need it most.

3.3. The Council has a Business Plan and supporting Service Plans which set out how the Council's Vision will be delivered, identify the budgets allocated and how performance will be monitored. These are currently in the process of being refreshed to reflect the councils core offer and MTFP proposals.

#### 4. Medium Term Financial Plan (2019-22)

##### 4.1. 2018/19 Budget Position

The quarter 3 budget monitoring report, based upon actual spending to the end of December 2018, shows a projected underspend to the year-end of £1.067m. This is a 0.3% variance on a revenue budget of £317.882m. In addition to this projected underspend, opportunity has been taken to make a further contribution to reserves and to release some pressure on the need to use Capital Receipts Flexibilities to support the revenue budget. Both of these adjustments will further improve the resilience of the Council and the robustness of the accounts.

4.2. Controlling the 2018/19 budget has been a priority of the Council for several months and is it welcome that the focus and efforts are producing the benefit of a projected underspend. This is particularly important considering the challenging financial position the Council must address from 2019/20 onwards to ensure a financially sustainable position. Delivering robust control of current spending is essential to laying the foundations for managing a challenging budget for 2019/20. In addition, producing an underspend in 2018/19 will enable a partial replenishment of the reserves, which will improve the resilience of the Council and hence its ability to address the financial uncertainties beyond 1 April 2020.

##### 4.3. Next three financial years: 2019/20 to 2021/22

Over the autumn months Somerset County Council has been developing budget proposals for the MTFP (2019-22). The Strategy paper to Cabinet in December 2018 up-dated on the considerable progress made to ensure a robust MTFP was developed that recognised all service demands, was realistic about whether previous savings proposed were deliverable and adjusted funding assumptions to reflect the most current prudent knowledge.

4.4. In December 2018 the detailed work on the Council's finances showed that the Council needs to spend a net £338m on delivering its services to residents in 2019/20, and that funding available across the three-year MTFP period fell short of need by £28.533m, £15.112m being the gap in 2019/20, as illustrated in Table 1 below:

**Table 1: Indicative Budgets and funding shortfall as at December 2018**

2018/19 Budget £m	Service	2019/20 Indicative Budget £m	2020/21 Indicative Budget £m	2021/22 Indicative Budget £m
141.149	Adults Services	132.561	133.599	135.225
65.895	Children Services	84.884	84.937	86.376



66.547	Economic and Community Infrastructure Services	67.400	68.167	70.197
1.023	Public Health	0.749	0.749	0.749
<b>274.614</b>	<b>Key Services</b>	<b>285.593</b>	<b>287.451</b>	<b>292.547</b>
20.577	Corporate and Support Services	24.222	24.228	24.240
34.697	Non-service items (inc Debt Charges)	35.436	39.162	42.817
<b>329.887</b>	<b>Support Services &amp; Corporate</b>	<b>345.251</b>	<b>350.841</b>	<b>359.604</b>
(12.580)	Un-ring-Fenced Grants	(11.077)	(6.332)	(6.078)
3.913	General Reserves	2.000	2.000	2.000
(0.900)	Earmarked Reserves	1.679	0.970	0.522
0.164	Insurance Fund	0.525	0.422	0.422
(2.602)	Capitalisation Flexibility and Capital Fund	(0.468)	0.000	0.000
<b>317.882</b>	<b>Net Budget Requirement</b>	<b>337.909</b>	<b>347.901</b>	<b>356.470</b>
0.000	<b>Financed By</b>	0.000	0.000	0.000
(16.082)	Revenue Support Grant	(6.076)	0.000	0.000
(14.275)	Individual Authority Business Rates Baseline	(16.137)	(16.460)	(16.789)
(51.426)	Business Rates Top-up	(52.222)	(53.266)	(54.331)
0.322	Business Rates Collection (Surplus) / Deficit	0.000	0.000	0.000
(0.500)	Business Rates Collection Pool	(0.800)	0.000	0.000
(3.163)	Council Tax Collection (Surplus) / Deficit	(3.000)	0.000	0.000
(215.379)	Locally Collected Council Tax (Inc. est. Tax base increases)	(224.652)	(232.068)	(239.091)
(14.871)	Council Tax Adult Social Care	(17.378)	(17.574)	(17.727)
(2.507)	Council Tax Somerset Rivers Authority	(2.533)	0.000	0.000
<b>0.000</b>	<b>Budget (Surplus) / Deficit</b>	<b>15.112</b>	<b>28.533</b>	<b>28.533</b>
<b>Actual gap assuming prior year balanced, and gap closed</b>			<b>13.420</b>	<b>0.000</b>

#### 4.5. ***Prior year savings unachievable or alternative funding sources identified***

A key principle of the MTFP budget build has been to ensure all budgets are robust and deliverable, meaning that several previously agreed savings that are not now deliverable and or are to be funded from alternative sources, have been recognised in the proposed budgets. This includes a total of £18.154m across 2019/20 and 2020/21 and, as indicated in the December Strategy paper, a schedule of all the adjustments is attached in Appendix A for member consideration.

The main changes related to: alternative funding for Learning Disabilities purchased services (Review to Improve Lives), £3.059m; and the reversal of prior year savings for: technology and people (TAP) initiatives £6.846m; £2.749m linked to procurement (Commercial and Third Party spend), and £2.667m relating to Transport savings.

#### 4.6. ***Actions taken to manage gap down requiring Cabinet approval***

Beyond the above there are several other actions required to manage the gap down to £15.112m in 2019/20 that are now set out below for Cabinet consideration and approval:

- Following a change to the Minimum Revenue Provision (MRP) policy after taking advantage of new and more flexible regulations but still complying with the requirement to be affordable, the Council will make a saving of £3.714m in 2019/20 by reducing the budget requirement. The MRP is a provision made in the accounts for the repayment of long-term debt when it becomes due. The updated policy is attached in Appendix B for approval.
- It is considered prudent to reduce the corporate contingency by £0.100m to £7.226m in recognition of the improved financial outlook.
- The use of the additional one-off Adult Social Care grant of £2.498m to meet the requirements set out by Government for this grant (net nil impact on the budget).
- Additional one-off Social Care grant funding of £4.267m was announced in the Chancellors Autumn Statement 2018, to be made available in 2019/20. This has, in effect, been applied to the rebasing of the Children's Services budget that was undertaken in September 2018.
- The proposal to save £0.454m in 2019/20 through Council staff taking compulsory unpaid leave, has been rejected through a Union ballot meaning the saving will now not be delivered.

4.7. The above changes are summarised in Table 2 below bringing the 2019/20 budget gap down from £23m to £15m.

**Table 2 – Summary of actions already taken to manage the 2019/20 gap**

2019/20 Budget Gap	Shortfall £m	Increase £m	Decrease £m
<b>Gap as at Nov 2018</b>	<b>22.739</b>		
Impact of revised MRP Policy	19.025		3.714
Reduce Contingency - Ongoing	18.925		0.100
ASC/CSC Grant	14.658		4.267
Unpaid Leave Pressure	15.112	0.454	
<b>2019/20 Budget Shortfall as at Cabinet Strategy paper in Dec 2018</b>	<b>15.112</b>		

4.8. ***Pressures and Savings built into the MTFP***

The December 2018 Cabinet MTFP Strategy paper also considered the high-level service pressures and other movements, including savings previously agreed by Cabinet, and in January 2019 more detail has been shared with the respective Scrutiny Committees; their comments have been shared with the Cabinet and full Council to consider.

4.9. Tables 3 and 4 below set out the total service pressures by type and by service respectively for consideration by members and full details were included in the Scrutiny papers.

**Table 3 – Services Pressures by type**

Type of Pressure	2019/20 £m	2020/21 £m	2021/22 £m
Demand	22.696	2.470	1.179
Demography	1.549	1.607	1.459
Inflation (Contract)	3.426	3.462	3.737
Inflation (General)	2.568	0.607	0.821
Legislation Change	1.562	-	0.100
Pay	3.586	0.950	1.000
Previously Unfunded	2.577	-	1.000
Prior Year Savings			
Unachievable	14.821	3.333	-
<b>Total</b>	<b>52.785</b>	<b>11.428</b>	<b>8.297</b>

Since the December Strategy paper there have been some changes to the pressures which are as follows:

- Pay pressure: As the Council has not received any details beyond 2019/20 the Council has included a pay award of £1m for these last two years.
- There have also been some other minor adjustments in 2019/20 which decrease the pressure by £0.252m.
- To release some pressure on the capital receipts flexibility scheme, £1.000m one-off additional budget has been added to Corporate & Support Services
- An additional earmarked reserve of £0.500m has been requested to support preventative funding for services.
- An additional contribution of £0.180m has been made to the Insurance fund.

#### 4.10. **Members Allowances 2019/20**

The Joint Independent Remuneration Panel recommend that the current Scheme of Members' Allowances should continue unchanged for 2019/20. This follows consultation with Group Leaders where no issues were raised for consideration by the Panel. The recommendation also recognises that the Basic Allowance and Special Responsibility Allowances will increase automatically in line with any officer pay award under the indexing mechanism recommended previously by the Panel and agreed by the Council. The proposed annual budget for 2019/20 reflects this recommendation.

The table below by Service illustrates that the main pressure area is within Children's Services, which has led to the previous Cabinet decisions to rebase the Children's budget that is now reflected in the MTFP (2019-22).

#### 4.11. **Table 4 – Pressures by Service**

Service Area	2019/20 £m	2020/21 £m	2021/22 £m
Adults Services	8.040	2.191	1.626
Public Health	0.126	-	-

Children's Services	28.407	2.683	1.440
Economic & Community Infrastructure	4.084	3.979	2.231
Corporate & Support Services	7.376	0.159	0.012
Non-Service	3.321	2.483	2.988
Earmarked Reserves	1.430	0.250	-
<b>Total</b>	<b>52.785</b>	<b>11.428</b>	<b>8.297</b>

#### 4.12. *Savings and other adjustments in the MTFP*

Table 5 below sets out a summary of savings and other adjustments by service and includes prior year savings agreed in previous MTFP rounds, in-year savings agreed by Cabinet in September 2018 and, technical adjustments. Where details were known details of these have previously been shared in the December Cabinet Strategy paper, and subsequently with the Scrutiny Committees in January 2019.

#### 4.13. **Table 5 – Savings and other adjustments by Service**

<b>Service Area</b>	<b>2019/20 £m</b>	<b>2020/2 £m</b>	<b>2021/22 £m</b>
Adults Services	-23.125	-3.172	0.000
Public Health	-0.500	0.100	0.000
Children's Services	-12.620	-0.356	0.000
Economic & Community Infrastructure	-5.249	-3.219	-0.200
Corporate & Support Services	-5.687	-0.651	0.000
Non-Service	-9.742	-1.346	0.243
Earmarked Reserves	10.452	-10.918	0.922
General Reserves	2.000	-0.534	0.000
Insurance Fund	0.361	-0.103	-0.534
Capital Receipts	2.134	0.468	0.000
Pragmatic Pipeline Savings	0.000	-1.260	0.000
Surplus/Deficit Collection Ctax Fund	-2.802	2.802	0.000
Business Rates Baseline	-0.605	0.000	0.000
<b>Total</b>	<b>- 45.383</b>	<b>- 18.188</b>	<b>0.431</b>

4.14. Since the Strategy Paper in December, there have been a number of further adjustments made as a result of additional information only available from the end of January and early February 2019, including: the Final Settlement, up-dated council tax base changes, up-dated business rate retention up-dated information.

Some of the major changes are detailed below:

- For 2019/20 and 2020/21 - a review of the Councils Pension Fund Deficit charge that is allocated across services which has changed the proportion allocated to

school's budget (i.e. funded from their Dedicated Schools Grant) by an additional £1.000m on-going from 2020/21;

- Additional savings for the value of £15.061m in 2019/20;
- Additional £0.200m budget in 2019/20 for ECI to allow for the review of gritting routes (routes reduced in previous budget decisions);
- Further replenishment of negative earmarked reserves of £1.311m;
- One-off, final adjustment to the Somerset Rivers Authority (SRA) budget with Economic & Community Infrastructure (ECI) of £0.015m due to updated tax base numbers in 2019/20;
- Adjustments to contingencies in 2020/21 for (£2.664m) and (£0.425m) in 2021/22
- 

#### 4.15. ***New Change proposals to balance the Budget 2019/20***

As requested in the December Cabinet meeting, further details of proposed service changes that produce a balanced budget for 2019/20 are now included for consideration and approval by members, in conjunction with the equality impact assessment (detailed in Appendix C). Although increasingly challenging for services to deliver further service reductions year on year, focused effort over the autumn has enabled services to identify changes that prioritise services for those in most need within the County and manage expenditure within the resources available.

- 4.16. Savings proposals totalling £8.162m are detailed in the table at Appendix D and are categorised by those that require a saving decision to take effect from 1 April 2019, and those that require a decision to consult. Of these proposals, £6.685m are on-going and an additional £0.420m has been identified for 2020/21.
- 4.17. The detailed proforma's for Proposals for Change and Impact Assessments can be found at Appendix E1-E5 and C.
- 4.18. Within the ECI proposals, a £0.225m savings target relates to Waste Services. There are no detailed proposals for change submitted as part of Appendix E5 as Cabinet are asked to endorse the savings target to the Somerset Waste Board to ask them to make savings to this value as part of setting its 2019/20 budget.
- 4.19. In addition, and for information, there are a number of 2019/20 savings proposals and financial adjustments which total £6.899m, where decisions have already been taken. These decisions have followed due process to meet governance requirements and have been assumed in the overall 2019/20 budget position.
- 4.20. Therefore, in balancing the £15.112m funding shortfall for 2019/20, a total of £15.061m of savings have been identified, of which £8.162m require full Council decisions in February 2019 as the remainder have been subject to decisions through the Cabinet in recent months.
- 4.21. ***Monitoring the Delivery of Proposals for Change***

During 2018/19 more rigorous monitoring of the proposals for change, agreed in February and September 2018 and in prior years, has been undertaken through the Business Change Team. This comprises of Change Team members working alongside those responsible for the proposals to monitor, encourage and assist progress towards delivery. Any deviation from the plan that will secure successful delivery of the savings is flagged early so that remedial action can be taken. In this way any likelihood of non-

delivery is brought to light early, remedial action is then undertaken and the potential for an overspend is reduced significantly.

Current monitoring shows that the Council is on track to deliver (or replace where necessary) over 95% of the MTFP proposals for change that have been agreed for 2019/20. Therefore, confidence can be taken from the delivery progress and from the monitoring mechanism.

#### 4.22. **Proposed actions to reduce the 2020/21 budget gap**

Whilst the solutions set out above for 2019/20 impact to a degree on the gap in 2020/21 onwards, there are other actions proposed that reduce this to £5.221m, as set out below and summarised in Table 6 below that:

- Of the further savings proposals for 2019/20 of £15.061m, a total of £3.077m are one-off savings in 2019/20, which therefore further increase the 2020/21 gap to £16.497m;
- Some of the 2019/20 savings have a greater impact in 2020/21 due to full year effect of proposed changes, to the value of £0.893m;
- To reduce the corporate contingency from £7.226m estimated as at 31 March 2020 by £2.664m in view of the increased financial resilience of the Council;
- Benefit of £3.070m due to earlier than originally planned replenishment of negative earmarked reserves;
- Benefit of £1.920m through removal of a previously planned contribution to the General Fund as it is now intended to ensure that the General Fund is replenished to its target amount by the end of 2019/20, per the reserves table elsewhere in this report;
- Forecast benefit of further £1.260m service savings because of outline change plans expected to impact in 2020/21. These will need further refinement during 2019/20 to ensure that they are deliverable and can then be presented for member consideration;
- Up-dated information from districts increases the Council Tax base in 2019/20 and 2020/21 together to the value of £1.305m, and;
- Increased New Homes Bonus (NHB) grant allocation of £0.155m following the provisional Settlement in which the Government allocated additional funds to maintain the grant threshold at 0.4% housing growth.

#### 4.23. **Table 6: Updated Budget Shortfall 2020/21**

<b>Movement</b>	<b>Shortfall £m</b>	<b>Increase £m</b>	<b>Decrease £m</b>
<b>Gap as at December 2018 Strategy Report</b>	<b>13.420</b>		
Add back one-off savings	16.497	3.077	
Less Additional ongoing savings	15.604		0.893
Reduce contingency	12.940		2.664
Replenishment of earmarked reserves	9.870		3.070
Remove contribution to general fund	7.950		1.920
Full year effect of pipeline savings	6.690		1.260
Council Tax Base Increases	5.385		1.305

Increased New Homes Bonus allocation	5.221		0.164
<b>2020/21 Budget Shortfall</b>	<b>5.221</b>		

- 4.24. On the basis that the 2019/20 budget balances, following delivery of the developed proposals for change (to be agreed by Council), that the proposals set out in the table above are deliverable and that the remaining £5.221m gap for 2020/21 can be bridged, then a further, small contribution from the corporate contingency of £0.425m in 2021/22 would balance that year also.
- 4.25. However, there are, of course, many funding assumptions to be validated during 2019 that will impact these numbers. Hence, in view of the uncertainty regarding the wider funding of local government from 2020/21, it is not considered prudent to drive hard for further savings proposals to be developed at this time to reduce the £5.221m estimated shortfall from 2020/21.

#### 4.26. **Funding and Spend Changes since December 2018**

Since the Cabinet Strategy Paper was taken to Cabinet in December 2018, there have been a few changes in the funding available to the Council over the MTFP period. The changes have been:

- An update from the Somerset districts on the numbers of properties liable to pay council tax, increases the amount of council tax the Council can raise as follows: an additional £1.392m in 2019/20; £1.305m in 2020/21 and £2.251m in 2021/22), and;
- The 2019/20 provisional Local Government Settlement, announced in December 2018, has increased the funding available to the Council:
  - Increased local retention of business rate growth because of the Council has been successful in becoming a 75% Business Rates Retention (BRR) Pilot for 2019/20 of £1.7m– further details of this successful bid can be found in the Business Rates Pilot Bid section on page 27;
  - An increase of the Rural Services Delivery Grant from £1.928m to £2.403m;
  - An increase of £0.155m for NHB to £2.390m, allocated by the government to enable them to sustain grant allocations based on housing growth above 0.4%, and;
  - A revision to the level of funding the Council can estimate to gain from the current BRR pooling arrangements from £0.800m to £1.1m as a result of confirmation that the pooling gain will be additional to the 75% BRR pilot gains.

#### 4.27. **Summary movements to funding and spending for MTFP (2019-22)**

Table 7 below summarises all the movements described above since the December Cabinet Strategy paper and confirms a balanced budget for 2019/20 and a shortfall of £5.221m for the following two years subject to delivery of all proposed new change plans.

**Table 7: Funding and spend changes in MTFP since Cabinet Strategy Report**

Description	2019/20	2020/21	2021/22
	£m	£m	£m
<b>Opening budget b/fwd.</b>	<b>348.987</b>	<b>340.118</b>	<b>335.476</b>
Pressures:			
- Non-Service Items (inc Debt Charges)	5.288	- 4.224	1.584
- Pay and Price Inflation		1.000	
- Other Changes	1.209	-3.496	-0.225
<b>Net Expenditure Requirement</b>	<b>355.484</b>	<b>333.398</b>	<b>336.835</b>
<b>Available Funding b/fwd.</b>	<b>333.874</b>	<b>326.698</b>	<b>335.476</b>
Provisional settlement related:			
- Increase in Business Rate Local Growth because of successful BRR Pilot Bid	1.700	0.000	0.000
Increased Business rates pooling gain	0.300	0.000	0.000
Increased allocation of s31 Business Rates relief grant	1.970		
Increased Business rates/Collection Fund/Surplus and Retained Business rates	0.648		
- Change in non-specific/general grants	0.742	0.000	0.000
<b>Council Tax base related</b>			
- Increase in Council Tax/Tax Base/Collection Fund	1.387	0.995	1.479
- Reduction in Council Tax/Collection Fund/Surplus	(0.198)		
<b>Available Funding</b>	<b>340.423</b>	<b>327.693</b>	<b>336.955</b>
Savings Agreed	15.061	0.484	-5.101
<b>Shortfall to balance the budget</b>	<b>0.000</b>	<b>5.221</b>	<b>5.221</b>



#### 4.28. Indicative Service Budgets and financing proposals

The above converts into indicative budgets for each service with overall financing proposals as summarised in Table 8 and then detailed below.

**Table 8: Indicative Service Budgets and Financing requirements**

Service	2018/19 Budget £m	2019/20 Indicative Budget £m	2020/21 Indicative Budget £m	2021/22 Indicative Budget £m
Adults Services	141.149	126.064	125.083	126.709
Children Services	65.895	81.683	84.011	85.451
Economic and Community Infrastructure Services	66.547	65.383	66.143	68.173
Public Health	1.023	0.649	0.749	0.749
<b>Key Services</b>	<b>274.614</b>	<b>273.778</b>	<b>275.985</b>	<b>281.081</b>
Corporate and Support Services	20.577	22.430	21.621	21.633
Non-service items (inc Debt Charges)	34.697	35.361	35.238	38.469
<b>Support Services &amp; Corporate</b>	<b>55.274</b>	<b>57.791</b>	<b>56.858</b>	<b>60.101</b>
Un-ring Fenced Grants	(12.580)	(16.476)	(6.487)	(6.233)
General Reserves	3.913	2.500	(0.534)	(0.534)
Earmarked Reserves	(0.900)	10.302	(0.366)	0.556
Insurance Fund	0.164	0.541	0.438	0.438
Capitalisation Flexibility and Capital Fund	(2.602)	(0.468)	0.000	0.000
Assumed the previous year gap is closed	0.000	0.000	0.000	(5.221)
<b>Net Budget Requirement</b>	<b>317.882</b>	<b>327.967</b>	<b>325.894</b>	<b>330.188</b>
<b>Financed By</b>				
Revenue Support Grant	(16.082)	0.000	0.000	0.000
Individual Authority Business Rates Baseline	(14.275)	(53.109)	(16.460)	(16.789)
Business Rates Top-up	(51.426)	(25.858)	(53.266)	(54.331)
Business Rates Collection (Surplus) / Deficit	0.322	(0.243)	0.000	0.000
Business Rates Collection Pool	(0.500)	0.000	0.000	0.000
Council Tax Collection (Surplus) / Deficit	(3.163)	(2.802)	0.000	0.000
Locally Collected Council Tax (inc. est. Taxbase increases)	(215.379)	(225.931)	(233.281)	(241.186)
Council Tax Adult Social Care	(14.871)	(17.477)	(17.666)	(17.882)
Council Tax Somerset Rivers Authority	(2.507)	(2.547)	0.000	0.000
<b>Budget (Surplus) / Deficit</b>	<b>0.000</b>	<b>0.000</b>	<b>5.221</b>	<b>0.000</b>

#### 4.29. Council Tax and Precept

There are three elements to the council tax precept raised: general council tax, adult social care specific precept and, uniquely to Somerset, funding raised for the Somerset Rivers Authority. The proposed Council Tax precepts for the Council are set in Appendix H and details explained below.

#### 4.30. **Somerset Rivers Authority**

The Somerset Rivers Authority (SRA) was launched on January 31, 2015 to play a key role in flood protection for the county. It is run by a Board of partners from the five District Councils, Somerset County Council, the Environment Agency, the Parrett and Axe Brue Internal Drainage Boards, the Wessex Regional Flood & Coastal Committee and Natural England.

4.31. Since 2016/17, Somerset County Council and the five district councils have had the power to raise a shadow precept of up to 1.25%, for funding the Somerset Rivers Authority. This precept equates to £12.84 per year for a Band D property and will raise £2.547m in 2019/20 (£2.575m in 2020/21; and £2.606m in 2021/22) based on current estimates of the Council's tax base.

4.32. It is the Government's intention for the SRA to become a precepting authority, but this requires an act of Parliament and there is currently no timeline for when this will come into effect. Until the SRA can raise their own precepts, the authority will continue to raise a separate precept on behalf of the SRA and provide them with a budget to match the level of precept received. As the SRA precept is passported to the SRA, the precept has no impact on the Council's budget.

#### 4.33. **General and Adult Social Care Council Tax**

The 2019/20 council tax base is 198,393.80 Band D equivalents and is set out across the districts and borough councils in Table 9 below. The table also shows the sums due under precepts from the respective authorities.

**Table 9: Tax Base and Precept 2019/20**

District/Borough Council	Tax Base number	Precept £
Mendip	40,496.05	50,204,179.15
Sedgemoor	41,008.90	50,839,974.83
South Somerset	60,266.07	74,713,671.47
Somerset West and Taunton Council	56,622.78	70,196,974.55
<b>Total</b>	<b>198,393.80</b>	<b>245,954,800.00</b>

4.34. The impact of a 2.99% increase in Council Tax for General Fund purposes and a further 1% for Adult Social Care considered in the budget proposals outlined in paragraph 5.1 imply a precept requirement of £245.955m and a Band D council tax of **£1,239.73**.

4.35. In 2018/19, the limit to how much Council Tax can be increased by each year changed from 1.99% to 2.99% (without the need for a referendum). It has also been possible (since 2016/17) for the Council to raise an additional precept to fund Adult Social Care pressures. As 2019/20 is the final year of the Government's 4-year Financial Settlement, it is currently unclear whether either of these flexibilities will be extended to 2020/21 and 2021/22. To ensure the Council set a prudent budget from 2020/21 onwards, the Council has assumed the Adult Social Care precept will cease and the cap on general council tax increases will reduce back down to 1.99%. Table 10 below confirms the percentage council tax increases assumed in the budget modelling over the MTFP period.

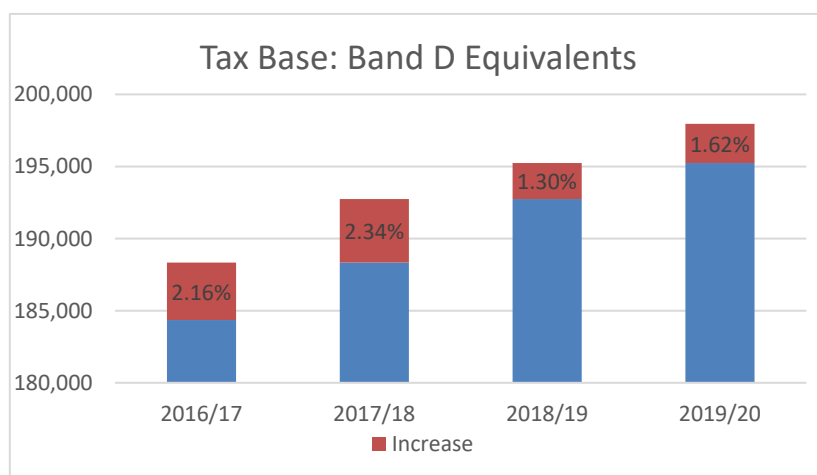
**Table 10 - % council tax increase assumed for 2019/22**

	2019/20	2020/21	2021/22
Adult Social Care	1.00%	0.00%	0.00%
General Council Tax	2.99%	1.99%	1.99%
<b>TOTAL</b>	<b>3.99%</b>	<b>1.99%</b>	<b>1.99%</b>

#### 4.36. **Somerset Local Tax Base 2019/20**

The MTFP for 2019/20 incorporates a 1.62% (£3.9m) increase per annum in the council tax base based on estimates from Somerset district and borough authorities. This is an increase at a similar level as in 2018/19 and reflects a slight reduction in the scale of increase over the last three years. Table 11 below shows how the forecast increase in tax base next year compares with previous years.

**Table 11: Change in the County Council's tax base**



4.37. The amount of council tax payable for dwellings listed in each valuation band, calculated in accordance with the proportion set out in Section 5 (1) of the Local Government Finance Act 1992, shall be as follows:

Valuation Band	Amount (£)
A	826.48
B	964.23
C	1,101.98
<b>D</b>	<b>1,239.73</b>
E	1,515.23
F	1,790.72
G	2,066.22
H	2,479.46

**4.38. Capital Receipts Flexibility (CRF)**

The Secretary of State issued the flexible use of capital receipts directive in 2016. This was for an initial 3-year period which has subsequently been extended to cover up to March 2022. The directive gives local authorities the freedom to use capital receipts from the sale of their own assets to help fund the revenue costs of transformation projects and release future revenue savings.

4.39. Somerset County Council has previously made use of this flexibility to reform services to become more efficient and sustainable: since 1 April 2016, the Council has received (or anticipates), a total of £21.227m capital receipts by the end of 2018/19, of which it expects to have used £16.005m to fund this strategy by 31 March 2019. Appendix F summarises the business cases for initiatives, which have applied capital receipts to fund revenue expenditure.

4.40. Looking forward to the MTFP period (2019-22) the Council proposes to fund a further £6.885m of projects to reform services. Appendix G summarises the initiatives to which capital receipts are planned to be applied to fund the revenue expenditure. These will be backed by robust business cases. These business cases will demonstrate that: the initiative will generate future savings or reduce future costs, and the costs being funded are implementation or set up costs and not on-going operational costs otherwise funding from this source will not be allocated. The council also proposes creating an invest to

save revenue reserve to capture proposals that might not meet the full statutory definition under the directive but still benefits the Council's transformation. Business cases will still be required to access funds from the invest to save sources.

#### 4.41. 75% Business Rates Retention (BRR) Pilot

To test increased business rates retention and to aid understanding of how the Government transition into a reformed business rates retention system in April 2020, local authorities were invited to apply to become 75% business rates retention pilots for 2019/20 only. This Council applied jointly with all the Somerset district authorities (Mendip, Sedgemoor, South Somerset, West Somerset and Taunton).

The provisional Local Government Settlement announced that the Somerset application was successful.

The pilot allows the Somerset area to retain 75% of locally collected business rates instead of the 50% retained under the current scheme. The exact level of benefit to the Council will depend upon actual business rate collection levels and having received notification from the district and borough authorities of their estimated business rates income (from their NNDR1 forms) the County Council is anticipating a gain of £1.7m. However, across the whole area, gains will be greater and Somerset authorities have agreed a share of the benefits as set out below:

**Table 12: 75% BRR Pilot – Somerset Pool gain**

	<b>75% BRR Pilot Gain (£m)</b>
Somerset County Council	1.7
Other pool members	2.7
County-wide pot	4.0*
<b>Total Gain</b>	<b>8.4</b>

*\*under the terms of the bid, the Council will receive an additional £4.0m in 2019/20 which will be held in an earmarked reserve to be used to fund local projects, determined in partnership and designed to generate economic growth in the Somerset area.*

- 4.42. The Council only benefits from the increase in local business rate growth, as the Government adjusts the Authority's core funding (referred to as the Settlement Funding Assessment) by rolling several grants into the business rates baseline (the level of business rates funding government believes the Council requires) to account for the increase in business rates being retained under the 75% scheme. As the adjustment to our Settlement Funding Assessment does not take account of any business rate growth during the year, 75% of the growth is retained within the pool.
- 4.43. The Financial Settlement announced an increase to its Rural Services Delivery Grant allocation in 2019/20, which has provided the Council with an additional £0.500m. However, as this grant allocation has been rolled into the business rates baseline adjustment mentioned above, the Council will benefit from this additional allocation through an increase in retained business rates rather than through receipt of the grant directly. The Council's allocation of Revenue Support Grant (RSG) will also be rolled into the Government's adjustment, and there was no change to the 2019/20 allocation we had previously estimated.
- 4.44. Also included in the business rates retention scheme are other grants (referred to as S31 rates relief grants). These grants (payable under S31 of the Local Government Act 2003) are designed to reimburse local authorities for reduced business rates income because of the Government's decision to implement national business rate relief (such as small

business rate relief; and public house rate relief). The S31 grant also includes an amount in relation to our business rate top-up grant, to allow for inflationary pressures. As these grants are directly linked to the value of business rates retained, the Council expects (subject to collection) to benefit from an additional allocation, given the fact more business rates are being retained locally.

- 4.45. Under the terms of the pilot bid, the member authorities were required to form a business rates pool, like the pooling arrangements entered in previous years. The principle behind the pooling arrangement will remain the same as before and is that authorities within the pool receive a benefit from reduced tariff payments (made to government as part of the business rates retention scheme). This benefit is estimated by the pools lead authority (Mendip DC) and was previously estimated at £0.800m for this Council. Early indications suggest the actual gain to the Council in 2019/20 is likely to be closer to £1.100m.

As a result of the successful 75% BRR Pilot bid, the Council are anticipating an additional £1.970m (one-off in 2019/20) in relation to S31 grants, in addition to the £4.0m county-wide pot that all Somerset authorities will allocate and rolled-in pooling gain (estimated at £1.1m), which has benefited the Council's overall funding level.

- 4.46. As the gains identified above are only one-off in 2019/20, the Council intends to use £2.0m of the additional funding to create an Invest to Save reserve. This reserve (totalling £2.852m when we include £0.852m from an increase in our council tax income from revised tax base estimates) will be used to fund internal projects designed to improve the Council's efficiency and drive down future revenue costs. The table below shows how the additional business rates gain and reserve contribution impacts on the overall 2019/20 budget gap.

- 4.47. **Table 13: Impact of the successful pilot bid and proposed invest to save reserve**

2019/20 Budget Gap	£m	Spending £m	Funding £m	Comment
<b>2019/20 Budget Shortfall as at 19th Dec</b>	<b>15.112</b>	-	-	
Settlement BRR Pool gain	13.112	0.000	2.000	As per settlement Dec 18
Council Tax base increases	12.260	0.000	0.852	As per DC and BC updates
Invest to Save Fund (reserve)	15.112	2.852	0.000	Improving resilience
<b>2019/20 Balanced Budget</b>	<b>15.112</b>	<b>2.852</b>	<b>2.852</b>	

- 4.48. **Special and Service Specific Grants**

As a local authority, a proportion of our funding is received from Central Government as a grant. There are generally two types of grant, Special and Service Specific, with the distinction based on the rules surrounding the way in which the Council can spend the grant.

- 4.49. Service Specific Grants

Service specific grants are grants that are distributed outside of the local government settlement and come with strict rules on what the Council can and cannot spend the funding on. An example of a service specific grant would be the Public Health grant, where the grant can only be used by the authority in fulfilling its responsibilities as a public health authority.

#### 4.50. Special Grants

Unlike service specific grants, a special grant (also referred to as non-specific) can be spent on our core activities (such as salaries and other day-to-day running costs), as there are no specific rules on how the Council can spend the funding. An example of a special grant would be the Revenue Support Grant (RSG).

4.51. Most government grants awarded to the Council have now been announced for 2019/20 and all known allocations are set out in Appendix I. The value of confirmed grants, with some assumption in value, in 2019/20 amounts to £330.439m and there is £9.347m of estimated grant. Futures years are included in the appendix.

4.52. The overall change (from what the Council has previously estimated) for non-specific grants, are included within the appendix:

- Increased New Homes Bonus funding of £0.158m (to £2.390m) for 2019/20;
- The removal of Revenue Support Grant (previously estimated to be £6.076m) as this now forms part of the revenue stream from our successful Business Rates pilot bid;
- The removal of Rural Services Delivery Grant (previously estimated to be £1.928m but increased to £2.403m in the Provisional Settlement), as this grant has also been rolled -up in the successful Business Rates pilot bid for 2019/20; and
- An additional allocation of £0.087m in 2019/20 to assist the Council with its Brexit preparations.

4.53. The Council is still awaiting confirmation for a number of small non-service specific grants that have been included in the budget estimates for 2019/20. The estimated 2019/20 allocation for these grants is £0.821m, and at the time of writing there is no indication these allocations will not be confirmed. If the actual allocations for these grants is lower than the £0.821m assumed, the Council will consider reducing its Contingency budget to cover the difference and avoid the need for any last-minute service cuts.

## 5. Revenue Budget Proposals for 2019-22

5.1. After consideration of the Financial Settlement announcement, the budget assumptions for price inflation, business rates and council tax and the savings proposals, net revenue expenditure of £327.967m is proposed for 2019/20, an increase of £10.085m (3.2%) compared to 2018/19, as shown in the table below.

**Table 14: Summary of Change in Budget**

Service	2018/19 Budget £m	Savings & Other Adjustments £m	Pressures & Unachievable Savings £m	2019/20 Indicative Budget £m
Adults Services	141.149	(23.125)	8.040	126.064
Children Services	65.895	(12.620)	28.407	81.683
Economic and Community Infrastructure Services	66.547	(5.249)	4.085	65.383
Public Health	1.023	(0.500)	0.126	0.649
<b>Key Services</b>	<b>274.614</b>			<b>273.778</b>
Corporate and Support Services	20.577	(5.523)	7.376	22.430



Non-service items (inc Debt Charges)	34.697	(2.657)	3.321	35.361
<b>Support Services &amp; Corporate</b>	<b>55.274</b>			<b>57.791</b>
Un-ring Fenced Grants	(12.580)	(3.896)	0.000	(16.476)
General Reserves	3.913	(1.412)	0.000	2.500
Earmarked Reserves	(0.900)	10.452	0.750	10.302
Insurance Fund	0.164	0.377	0.000	0.541
Capitalisation Flexibility and Capital Fund	(2.602)	2.134	0.000	(0.468)
<b>Net Budget Requirement</b>	<b>317.882</b>			<b>327.967</b>
<b>Financed By</b>				
Revenue Support Grant	(16.082)	16.082	0.000	0.000
Individual Authority Business Rates Baseline	(14.275)	(38.834)	0.000	(53.109)
Business Rates Top-up	(51.426)	25.568	0.000	(25.858)
Business Rates Collection (Surplus) / Deficit	0.322	(0.565)	0.000	(0.243)
Business Rates Collection Pool	(0.500)	0.500	0.000	0.000
Council Tax Collection (Surplus) / Deficit	(3.163)	0.361	0.000	(2.802)
Locally Collected Council Tax (inc. est. Taxbase increases)	(215.379)	(10.552)	0.000	(225.931)
Council Tax Adult Social Care	(14.871)	(2.605)	0.000	(17.477)
Council Tax Somerset Rivers Authority	(2.507)	(0.041)	0.000	(2.547)
<b>Budget (Surplus) / Deficit &amp; Totals</b>	<b>0</b>			<b>0.000</b>

- 5.2. The net revenue budget in the table above represents the expenditure incurred by service net of any income received from external sources. The table below shows the gross budget by service, which gives a better indication of the total expenditure incurred by each service.

**Table 15: Gross budget by service**

	2019/20	2020/21	2021/22
<b>Gross Budget by Service</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Adults Services	216.613	216.312	218.618
Public Health	20.824	20.924	20.924
Children Services	357.486	357.142	353.214
Economic and Community Infrastructure Services	99.922	101.161	103.833
Corporate and Support Services	31.866	31.056	31.068
Non-Service	46.499	37.514	36.446
Trading	6.971	6.971	6.971
Budget Gap - savings still to be identified	0.000	-5.221	0.000
<b>TOTAL</b>	<b>780.181</b>	<b>765.859</b>	<b>771.074</b>



- 5.3. The table below shows the proposed budget for 2019/20, compared to that for 2018/19, and the indicative budgets for 2020/21 and 2021/22, including funding sources.

**Table 16: Indicative Budgets 2019/20 to 2021/22**

Service	2018/19 Budget £m	2019/20 Indicative Budget £m	2020/21 Indicative Budget £m	2021/22 Indicative Budget £m
Adults Services	141.149	126.064	125.083	126.709
Children Services	65.895	81.683	84.011	85.451
Economic and Community Infrastructure Services	66.547	65.383	66.143	68.173
Public Health	1.023	0.649	0.749	0.749
<b>Key Services</b>	<b>274.614</b>	<b>273.778</b>	<b>275.985</b>	<b>281.081</b>
Corporate and Support Services	20.577	22.430	21.621	21.633
Non-service items (inc Debt Charges)	34.697	35.361	35.238	38.469
<b>Support Services &amp; Corporate</b>	<b>55.274</b>	<b>57.791</b>	<b>56.858</b>	<b>60.101</b>
Un-ring Fenced Grants	(12.580)	(16.476)	(6.487)	(6.233)
General Reserves	3.913	2.500	(0.534)	(0.534)
Earmarked Reserves	(0.900)	10.302	(0.366)	0.556
Insurance Fund	0.164	0.541	0.438	0.438
Capitalisation Flexibility and Capital Fund	(2.602)	(0.468)	0.000	0.000
Assumed the previous year gap is closed	0.000	0.000	0.000	(5.221)
<b>Net Budget Requirement</b>	<b>317.882</b>	<b>327.967</b>	<b>325.894</b>	<b>330.188</b>
<b>Financed By</b>				
Revenue Support Grant	(16.082)	0.000	0.000	0.000
Individual Authority Business Rates Baseline	(14.275)	(53.109)	(16.460)	(16.789)
Business Rates Top-up	(51.426)	(25.858)	(53.266)	(54.331)
Business Rates Collection (Surplus) / Deficit	0.322	(0.243)	0.000	0.000
Business Rates Collection Pool	(0.500)	0.000	0.000	0.000
Council Tax Collection (Surplus) / Deficit	(3.163)	(2.802)	0.000	0.000
Locally Collected Council Tax (inc. est. Taxbase increases)	(215.379)	(225.931)	(233.281)	(241.186)
Council Tax Adult Social Care	(14.871)	(17.477)	(17.666)	(17.882)
Council Tax Somerset Rivers Authority	(2.507)	(2.547)	0.000	0.000
<b>Budget (Surplus) / Deficit</b>	<b>0.000</b>	<b>0.000</b>	<b>5.221</b>	<b>0.000</b>

## 6. Robustness of Estimates, Adequacy of Reserves and the Management of Risk

### 6.1. Reserves and Balances

Section 25 of the Local Government Act 2003 requires S151 Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when

determining their budget and level of council tax. Authorities are required to consider their S151 Officers' reports when setting the level of council tax. As Director of Finance (holding the role of S151 Officer for the County Council) I have provided the following assurance.

- 6.2. Over recent years, and during 2018/19 in particular, the Council has found itself struggling to contain expenditure within budget. The consequence of this has been the use of reserves to support revenue expenditure, significantly overspending budgets, the need for a substantial contingency and, in 2018/19, mid-year intervention to identify further proposals for change in order to bring the budget back under control. A further consequence of this uncertainty is an apprehension in the Council about the accuracy of the budget and financial control and the unwanted, adverse external scrutiny of the Council.
- 6.3. In September 2018 the Cabinet approved a number of proposals for change to deliver reduced spending within the financial year and for future years. This, combined with a more rigorous savings tracking regime, improved budget monitoring and some one-off funding, has produced a reducing projected budget overspend, to the point where it is now predicted that the Council will underspend at the 2018/19 financial year end.
- 6.4. Since September 2018 the Council has been developing the Medium Term Financial Plan for 2019 – 2022; three financial years, with a clear focus on producing a balanced budget for the financial year 2019/20. Part of the challenge of managing prior year budgets was that they contained savings proposals that were ill-defined and they did not contain all of the pressures that the Council services might be expected to encounter. This approach was changed for this MTFP with a clear direction to reverse out unrealistic savings proposals, to identify all pressures and to provide the best assumptions about the future funding that could be produced. I am satisfied that the most appropriate information and assumptions have been made in developing the 2019/20 budget and MTFP and that there are no known pressures that are being left unmanaged.
- 6.5. In order to address the funding gap for 2019/20 future proposals for change have been developed and are presented for consideration for the Council with this report. I am satisfied that those proposals have been created and assessed with due rigour to ensure that they are deliverable and will have the desired impact on reducing spending within 2019/20 (and beyond where they continue). Furthermore, each proposal has been assessed for confidence in delivery, with the confidence ratings then informing the contingency provision that may be required to offset any non-delivery. It is reassuring that the confidence assessment is more positive than it was for the September 2018 proposals, perhaps indicating a level of increased maturity in producing them.
- 6.6. The contingency provision is referred to in the paragraphs below and I am satisfied that the proposed sum of £7.226m for next year is adequate to deal with both unachieved savings and other events for which the contingency may be called upon.
- 6.7. As at September 2018, the General Fund reserve was assessed as being £7.790m as at 31 March 2018, after taking account of negative reserves and those which the Council holds on behalf of others. The Council is proposing to take advantage of some one-off funding during 2018/19 and the likely underspend to either directly contribute to the General Fund or to reduce some negative reserves, which will have the impact of increasing the General Fund balance as at 31 March 2019 to £12.704m. There are further planned contributions in 2019/20, as shown in Appendix L, which will produce a balance of £19.004m as at 31 March 2020. This is in line with the Policy set out in

Appendix K and will provide some interim support for 2020/21 if the SR2019 and Fair Funding Review produce an unexpectedly adverse outcome for Somerset County Council. Bolstering the General Fund in this manner will also offer the opportunity to reduce ongoing revenue budgets (contribution to reserves and contingency) in future years as there will be an adequate safety net through the balance sheet.

- 6.8. In regard of 2019/20 it is therefore possible to assess the developed budget and proposals as robust and the reserves and contingency as adequate. The latter offers appropriate risk mitigation in the event that savings proposals are not delivered, or unexpected events occur. This should not, of course, imply that managing the Council's finances in 2019/20 will be easy; the same robust control and monitoring will be required as has been applied in the latter part of 2018/19. With a change in leadership of the Finance Service during 2019/20, close attention will need to be given to the capacity and development of the team to ensure that it can support the Council through the challenges ahead.
- 6.9. In July 2018, Grant Thornton, our external auditors, reminded us that they were required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern" (ISA (UK) 570).
- 6.10. The Auditors' test that "management have a reasonable expectation that the services provided by the Council will continue for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements". Grant Thornton's conclusion was that they were "satisfied that the Going Concern basis is appropriate for the 2017/18 financial statements". This test will be no less important when the 2018/19 accounts are being prepared and audited. Indeed, given the pressures on local government in general and on Somerset County Council in particular, it is arguable that assurances about the going concern status of the Council will be more important, hence the need to consider the MTFP for the period beyond 2019/20.
- 6.11. The MTFP set out in this report clearly shows a balanced budget for 2019/20 but does not yet show a balanced position for 2020/21 and beyond. This is mainly because the Council, like other local authorities, does not have good quality information about the funding arrangements for 2020/21 and beyond. Therefore, the Council is recommended to adopt an MTFP that recognises the pressures on the Council and anticipates a "no change" funding settlement. In that case, the Council has proposals that reduce any projected gap to a manageable level in 2020/21 and 2021/22, especially bearing in mind the likely level of General Fund reserves.
- 6.12. However, in considering the future, the Council must adopt a longer-term approach for delivering services that enable it to manage the demand pressures and funding shortfalls in more strategic manner, thereby avoiding the production of year to year proposals for change. The Council is just about to start a whole-organisation change project that is seeking to address the pressures upon its services and how it more effectively uses its resources to improve the lives of its residents. It is essential that this project is driven at pace throughout 2019/20 in order to deliver real, transformational change in time for the new financial year in 2020/21.
- 6.13. The Auditor is also required to give a Value for Money (VFM) assessment each year, the verdict for 2017/18 was an adverse opinion. The summary of the opinion was that their "...work on Strategic Financial Planning has concluded that the Council does not

have proper arrangements in place to ensure sustainable resource deployment. We therefore anticipate issuing a qualified 'adverse' value for money conclusion, concluding that the Council does not have proper arrangements to secure economy, efficiency and effectiveness in its use of resources". Since that opinion was issued, considerable work has been undertaken by the Finance Team and the wider organisation to address the concerns about financial planning, financial control and budget monitoring amongst other things. The preparation of a robust MTFP and the presentation of the proposals in this report are key management responses to the recommendations put forward by Grant Thornton.

- 6.14. In assessing the robustness of this budget, I have drawn on the advice of service chief officers that the service priorities for 2019/20 can be delivered within the available resource envelope for each service. These colleagues include, but are not limited to, the statutory chief officer roles of Director of Adult Services, Director of Children's Services, the Director for Public Health plus the Director for Economic and Community Infrastructure, the Director for Customers and Communities – Corporate Affairs and the Director for HR and OD.

**Peter Lewis**  
**FCPFA**  
**Section 151 Officer**

6.15. ***General Fund***

The Council holds a General Fund to provide a cushion against any unexpected short-term budgetary pressures or a major unexpected event (see Reserves and Balances Policy Statement - Appendix K for further details). The level of the balance is not prescribed, and the Council aims to keep a reasonable balance that is justifiable in the context of local circumstances and risks facing the Council, while not tying up council taxpayers' money unnecessarily. The balance at 1 April 2019 is forecasted to be £12.704m.

- 6.16. To achieve this sensible balance, since 2018/19, the Council has budgeted for an annual contribution of £2.000m each year to ensure the general fund remains at a level the S151 Officer (Interim Director of Finance) deems prudent for this Council.
- 6.17. During 2018/19, the Council has rebased the service budgets most under pressure to ensure they are robust. This work, in conjunction with the additional revenue savings approved by Cabinet in September 2018 have helped improve the Council's financial position. To continue this improvement, the MTFP keeps the plan to contribute £2.000m in 2019/20 and plans further repayment of negative reserves (see paragraph 6.7 for further details). Both will further strengthen the General Fund position.
- 6.18. As a consequence of this improved position from 2019/20, the MTFP removes the annual £2.000m contribution from 2020/21. This reduces the pressure on revenue budgets but will be kept under review to mitigate against any unforeseen pressure on the General Fund during the MTFP period.
- 6.19. Over the current MTFP period, the balance of the Council's General Fund is forecast to be:
- £12.704m – as at 1 April 2019
  - £19.004m – as at 1 April 2020
  - £19.538m – as at 1 April 2021

- £20.072m – as at 31 March 2022

See Appendix L for details of the movement over the MTFP period.

## 6.20. ***Earmarked Reserves***

Earmarked reserves are funds set aside for specific purposes and to mitigate against potential future known or predicted liabilities. They are agreed by the Cabinet. The forecast total balance for all earmarked reserves brought forward at 1 April 2019 is £13.535m, an increase (of £10.714m) from the £2.821m brought forward on 1 April 2018.

- 6.21. Included within these balances are reserves set-aside to cover future costs for specific legislative responsibilities (such as Public Health and Somerset Rivers Authority), as such the Council are unable to change the purpose of these funds. After allowing for the values on these reserves, the remaining reserves, which the council can utilise, have a negative balance of -£6.086m at 1 April 2019 an improvement of £10.430m, from the -£16.516m brought forward at 1 April 2018.
- 6.22. These negative reserves have arisen from the Council policy in previous years of holding reserves in a negative position, to spread the revenue costs of projects that were expected to be higher in the early years then gradually reduce over time (referred to as budget smoothing). This policy required some form of repayment plan put in place to 'repay' the reserve in future years.
- 6.23. To ensure the authorities on-going financial resilience these negative reserves have been reviewed and a repayment plan put-forward to repay several of the reserves during the MTFP (2019-22). Within these budget assumptions, the Council plans to repay:
- £3.389m in 2019/20, to clear the outstanding Buildings Maintenance Indemnity Scheme (BMIS) and Repairs & Maintenance Fund that has now closed; and
  - £0.910m in 2019/20, to clear the outstanding Learning Disabilities Equalisation reserve.
- 6.24. The Councils' negative Dedicated Schools Grant (High Needs Block) reserve has arisen due to the significant pressure on the authorities High Needs budget (for children and young people with special educational needs and disabilities (SEND) from their early years to 25) over the last few years. The Council is continuing to progress the High Needs Block deficit recovery plan, with the main areas of focus being:
- Places, Capital Build and Independent Provision;
  - Pupil Referral Units, Alternative Provision and Outreach Support;
  - Improvements to the SEND team and annual review process, and;
  - Review of SEND Support Services.
- 6.25. For another of the Council's remaining negative reserves, business plans are currently being drawn-up to enable the trading activity at Dillington House to make a surplus and then repay the deficit on its trading activities' (projected to stand at £1.373m by 31 March 2019 within a short timeframe.
- 6.26. As part of the Council's drive to ensure greater financial stability and service transformation, the Authority plans to increase the capacity of its Invest to Save reserve

to provide additional revenue support for future projects designed to generate long-term efficiencies and reduce future revenue costs. This reserve will be boosted through a one-off contribution of £2.852m in 2019/20, possible because of the additional funding from council tax base improvements and the provisional financial Settlement: council tax base increase (£0.852m); increased Rural Services Delivery Grant (£0.500m) and the one-off gain (£1.5m) from the Councils successful 75% Business Rates Retention bid in 2019/20. Any drawdowns from this reserve will need to be supported by robust business cases to provide evidence of the potential efficiencies, as any successful bid will be required to repay the amount being awarded. This will ensure the reserve is available to the Council for the long-term and will avoid the need for any future top-ups.

6.27. Details of all the Councils earmarked reserves (including planned use over the period of the MTFP (2019-22) is attached in Appendix J of this report.

6.28. ***Corporate Contingency***

A contingency budget is a base budget provision that the Council puts aside for one-off, unexpected costs within the year. It is common for unexpected costs to occur, for example due to exceptional weather events, so a contingency budget enables prompt mitigating action to be taken without disrupting the remainder of the annual budget for services. Use of the contingency budget is approved by the S151 Officer and is subsequently reported to members.

6.29. The Section 151 Officer believes it is prudent to set the following contingency budget over the current MTFP period:

- 2019/20 £7.226m
- 2020/21 £4.562m
- 2021/22 £4.138m

6.30. The rebasing of the Authority's most under pressure budgets, through the use of savings approved by Cabinet in September and additional one-off funding allocations, has enabled the Authority to better understand its cost base, reduce the impact of unexpected costs on its revenue budgets and to replenish some reserves. Therefore, it is possible to reduce the amount of contingency the Authority needs to hold moving forward as the Council's budget will be on a more secure footing, savings delivery is more effective and budgetary control is improved. The contingency has been reduced over the MTFP period to £4.138m in 2021/22.

6.31. The policy of putting aside a reduced contingency will be reviewed throughout the period and additional allocations will be considered in future years if the Council's budget comes under pressure and/or budgetary control is at risk.

## **7. Future Financial Risks**

7.1. There is a considerable amount of change in the external environment facing the council over the MTFP period. This offers some opportunities, but also potential financial risk and volatility over the medium term. These include:

- The fact that the way the UK leaves the EU may impact on the economic performance and state of the nation's public finances.

- The review of local government funding proposed under the Fair Funding Review and the move to 75% local Business Rate Retention from 2020/21. Currently the Government are consulting on the proposed changes, although at this stage these are high level principles and it is not expected that authorities will be clear of the definite future arrangements nor see exemplifications of the likely financial impact until late summer / autumn 2019 – which will leave relatively little time to develop plans for budgets for 2020/21 onwards.
- The absence of a Spending Review beyond 2019/20 leaves all authorities uncertain about the overall framework of future funding allocations as between the different government departments and priorities. The recent publication of the NHS 10-year plan, announcing additional funding increase the likely strain that other public sector services, including local government may have to bear.
- Although service budgets have been re-based going into 2019/20 to ensure as robust budgets as is possible, there remains volatility in demands for care services in particular, both in terms of volumes and complexity. The position anticipated now could therefore change significantly.
- Any legislative changes not yet known about could impact on the Council's responsibilities and therefore spend pressures.

Throughout the next financial year, the Council will continue to keep the MTFP under review and report back to members with up-dated plans if necessary.

## **8. Background Papers and Appendices**

- 8.1. Medium Term Financial Plan Strategy report to Cabinet – December 2018
- 8.2. Month 9 Revenue Budget Monitoring Report to Cabinet – January 2019  
Revenue Budget Report 2019-22 to Scrutiny Adults – 30 January 2019  
Revenue Budget Report 2019-22 to Scrutiny Children's – 25 January 2019  
Revenue Budget Report 2019-22 to Scrutiny Place – 23 January 2019

### **Appendices:**

- A:** Prior Year Savings Unachievable
- B:** Minimum Revenue Provision Policy Statement
- C:** Summary of Equality Impacts MTFP 2019/20
- D:** Proposals for Change 2019/20
- E1:** Summary of Savings Proposals for Cabinet
- E2:** Adults & Health Services Proposals for Change
- E3:** Children's Services Proposals for Change
- E4a:** Corporate Services Proposals for Change Consultations
- E4b:** Corporate Services Proposals for Change Decisions
- E5:** ECI Services Proposals for Change
- F:** Capital Receipts Flexibility up to 2018/19
- G:** Capital Receipts Flexibility for 2019/20 onwards
- H:** Council Tax Precepts
- I:** Government Grants 2019-22
- J:** Earmarked Reserves details
- K:** Reserves and Balances Policy Statement
- L:** General Fund movements 2019-22

Ref	Year of Savings Decision	Service / Area	Proposal Title	Proposals Description	Proposal Category	Reason why saving is unachievable	2019/20	2020/21
DS01a	2018/19	Corporate & Support Services	Democratic Services Demand Management	Democratic Services Demand Management	Demand Management	Saving already in projections (double count)	22,392	0
R17 - 022	2017/18	Corporate & Support Services	Commercial and Third Party Spend	Income Generation:	Income Generation	Unable to expand provision of collaborative contract to other local authorities	40,000	0
R17 - 022	2017/18	Corporate & Support Services	Commercial and Third Party Spend	Income Generation:	Income Generation	Collaborative contract with other local authorities will be ending	40,000	0
R17 - 006	2017/18	Corporate & Support Services	SWOne Transition (Technology & People)	Assumed savings from return of SWOne Services	Income Generation	Increased recovery of income for overheads (via SSE) is not achievable	199,900	0
?	2017/18	Corporate & Support Services	PWC Full Cost Recovery Saving	PWC Full Cost Recovery Saving	Income Generation	Target not achievable or saving badged against other Service specific savings	57,000	0
R18 - 021	2018/19	Corporate & Support Services	Productivity & Culture	HR & OD staff benefit scheme continued income shortfall	Income Generation	Shortfall of Income	68,000	0
R16 - 025E	2016/17	Corporate & Support Services	Customers & Community	Customers & Communities Undeliverable income target web development	Income Generation	Customers & Communities Undeliverable income target web development	30,000	0
R17 - 009	2017/18	Economic & Community Infrastructure	Service Redesign	Reviewing library services	Other	Proposals to review the service now deferred	260,000	0
?	2014/15	Economic & Community Infrastructure	Highways	Highways NHT Survey	Other	Previous MTFP saving for non-participation in the survey reinstated without budget	11,300	0
R17 - 054	2017/18	Adults & Health	Procurement Opportunities	Fee Negotiations - Consolidated Annual Saving	Procurement	Procurement haven't delivered fee reductions	653,000	0
R17 - 040	2017/18	Corporate & Support Services	Reduce Agency Spend	Impose target to reduce the cost of Agency spend by 15%	Procurement	Temporary staffing has diminished to such a level that further reductions are not feasible	208,200	208,200
R17 - 049	2017/18	Corporate & Support Services	Further Third Party spend exploration	Looking at all service areas for other opportunities	Procurement	No further opportunities have been identified	150,000	0
R17 - 028	2017/18	Corporate & Support Services	Commercial and Third Party Spend	3rd party Spend - Council, Tail-spend review linked to PtoP.	Procurement	No further cost reductions been identified	234,000	0
R17 - 028	2017/18	Corporate & Support Services	Commercial and Third Party Spend	3rd party Spend - Council, Tail-spend review linked to PtoP.	Procurement	No further cost reduction been identified	234,000	0
R17 - 030	2017/18	Corporate & Support Services	Commercial and Third Party Spend	ICT related savings on the return of the service from SWOne	Procurement	No further cost reduction been identified	1,058,000	0
R17 - 029	2017/18	Corporate & Support Services	Commercial and Third Party Spend	Target high-volume users and find low cost alternatives	Procurement	Shortfall on saving on BT contracts	3,400	0
R17 - 058	2017/18	Children & Families	Reduce Commissioning Activity in SSE	Savings across Education Services, Transport budgets and through the integration of early help arrangements	Service Review	No plans in place to deliver	677,000	0
R17 - 043	2017/18	Earmarked Reserves	Children's Commissioning - Exploring regional Services	Exploring Regional Services	Service Review	This saving was previously held against a reserve and this is likely to have contributed to its non-delivery	750,000	250,000
ECI-071	2018/19	Economic & Community Infrastructure	Highways Winter Gritting	Highways Winter Gritting	Service Review	Further analysis of what routes SCC must grit meant only an £80k saving would be realised.	40,000	0
R17 - 055	2017/18	Public Health	Service Redesign	Review of further savings initiated to examine impacts over and above Public Health grant reductions imposed. To include review of other services, working with Public Health.	Service Review	Saving was one off but had been factored in as on-going	18,500	0
R18 - 033	2018/19	Public Health	Service Redesign	Review of further savings initiated to examine impacts over and above Public Health grant reductions imposed. To include review of other services, working with Public Health.	Service Review	Saving was one off but had been factored in as on-going	107,000	0
R18 - 018	2018/19	Corporate & Support Services	Service Redesign	Reduction in the use of external Legal Capacity	Service Review	Individual caseloads from services requiring specialist support from external sources	205,500	0
R17 - 042	2017/18	Adults & Health	Technology and People	Improve organisational productivity and process efficiency	TAP	No further cashable savings can be achieved resulting from TAP	439,000	685,000
R17 - 042	2017/18	Children & Families	Improve organisational productivity and process efficiency	Reduce staff costs	TAP	No further cashable savings can be achieved resulting from TAP	1,290,000	615,000
R17 - 042	2017/18	Children & Families	Improve organisational productivity and process efficiency	Reduce staff costs	TAP	No further cashable savings can be achieved resulting from TAP	502,000	240,000
R17 - 042	2017/18	Corporate & Support Services	Technology and People	Improve organisational productivity and process efficiency	TAP	No further cashable savings can be achieved resulting from TAP	1,136,000	621,000
R17 - 042	2017/18	Corporate & Support Services	Technology and People	Legal Services TAP	TAP	No further cashable savings can be achieved resulting from TAP	13,000	0
R17 - 042	2017/18	Corporate & Support Services	Finance	Finance Undeliverable savings/unrealistic income staffing/vacancy/TAP	TAP	No further cashable savings can be achieved resulting from TAP	24,200	0
R17 - 042	2017/18	Economic & Community Infrastructure	Technology and People	Improve organisational productivity and process efficiency	TAP	No further cashable savings can be achieved resulting from TAP	725,000	414,000
R17 - 042	2017/18	Economic & Community Infrastructure	Technology and People	Improve organisational productivity and process efficiency	TAP	No further cashable savings can be achieved resulting from TAP	142,000	0
R17 - 059	2017/18	Children & Families	Transport	Savings across Education Services, Transport budgets and through the integration of early help arrangements.	Transport	No plans in place to deliver	707,000	0
R18 - 030	2018/19	Children & Families	Transport (Service Redesign)	Making efficiencies in our transport operations	Transport	No plans in place to deliver	535,000	0
R17 - 016	2017/18	Children & Families	Transport	Cross-cutting Transport Review	Transport	No plans in place to deliver	1,125,000	300,000
?	2016/17	Corporate & Support Services	Finance	Finance Undeliverable savings/unrealistic income staffing/vacancy	Vacancy Savings	Vacancy factors applied not achievable	56,400	0
<b>Total</b>							<b>11,761,792</b>	<b>3,333,200</b>



## Appendix: B

### Minimum Revenue Provision Statement 2018/19

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended], local authorities are required to charge a Minimum Revenue Provision (MRP) to their revenue account in each financial year. Before 2008, the 2003 Regulations contained details of the method that local authorities were required to use when calculating MRP. This has been replaced by the current Regulation 28 of the 2003 Regulations, which gives local authorities flexibility in how they calculate MRP, providing the calculation is 'prudent'. In calculating a prudent provision, local authorities are required to have regard to statutory guidance (issued by the Secretary of State).

An underpinning principle of the local authority financial system is that all capital expenditure must be financed either from capital receipts, capital grants (or other contributions) or eventually from revenue income. The broad aim of prudent provision is to require local authorities to put aside revenue over time to cover their Capital Financing Requirement (CFR). In doing so, local authorities should align the period over which they charge MRP to one that is commensurate with the period over which their capital expenditure provides benefits (often referred to as 'useful economic life').

The guidance requires the Authority to approve an Annual MRP Statement each year and recommends several options for calculating a prudent amount of MRP.

Having reviewed the options suggested by the guidance and considered the historic information available to the authority for previous years capital expenditure funded from un-supported borrowing, the Authority proposes an MRP policy based on two distinct components:

1. An element based on the period the capital expenditure provides benefit to the authority, as per the maximum useful economic lives (UEL) in the table below:

ASSET CLASS	MAXIMUM UEL
Freehold Land	999 years
Freehold Buildings	99 years (dependant on specific-asset information provided by the Council's RICS qualified valuation team)
Leased Land	Length of lease term or asset UEL, whichever is lower
Leased Buildings	Length of lease term or asset UEL, whichever is lower

Plant & Equipment (owned)	10 years
Plant & Equipment (leased)	Length of lease term or asset UEL, whichever is lower
IT	7 years
Intangible (software licences)	Length of licence term
Infrastructure	64 years
Heritage	999 years
Assets Held for Sale	Dependant on the asset class prior to being reclassified as held for sale

For un-supported loans funded capital expenditure prior to 1<sup>st</sup> April 2018 there was no direct link between individual assets and their funding types, so it has not been possible for the authority to analyse the CFR (as at 31<sup>st</sup> March 2018) by specific loans-funded assets. It is the Council's intention to apportion the CFR balance (as at 31<sup>st</sup> March 2018) of £366.115m over the weighted average life (based on the useful economic lives) of the Council's entire asset portfolio – as reported in the 17/18 published accounts.

Any capital expenditure funded from un-supported borrowing post 1<sup>st</sup> April 18 will have a direct link to the benefit being received (asset) on the accounting system, it is therefore the Council's intention to put aside revenue for this element of the CFR on an asset by asset basis – having considered the useful economic lives in the table above.

Paragraph 40 of the statutory guidance suggests that the MRP should normally commence in the financial year following the one in which the expenditure was incurred, so capital expenditure incurred during 2018/19 will not be subject to a MRP charge until 2019/20.

2. An additional element to ensure the authority has enough put aside to meet the repayment dates of the loans when they fall due.

Paragraph 14 of the statutory guidance identifies a concern over an authorities' ability to fully provide for its debt based on current levels of MRP. As relying on continuing access to PWLB to repay debt when it falls due does not represent a prudent approach, we are planning to make an additional MRP payment of £0.400m each year (incrementally) over and above the MRP charge identified in point 1. This planned incremental increase each year will ensure we have enough put aside to meet the repayment dates of existing debt instruments when they fall due. This has been confirmed by a detailed review of the current debt maturity profile. We will continue to monitor the MRP and repayment profile of the Council's debt instruments, and if future borrowing creates a potential shortfall, we will increase the additional MRP accordingly to ensure significant provision is put aside.

NB. This proposal excludes leased assets, as their MRP requirement has been met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability when the rent is paid.

Based on the Authority's Capital Financing Requirement on 31st March 2018, the budget for 2018/19 MRP has been set as follows:

	<b>31.03.2018 CFR £m</b>	<b>2018/19 MRP £m</b>
<u>Capital Expenditure</u>		
Capital expenditure before 01.04.2018	366.115	1.039
<u>Additional Contribution</u>		
Additional Contribution (2018/19)	-	0.400
<b>Total</b>	<b>366.115</b>	<b>1.439</b>

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## SOMERSET COUNTY COUNCIL SUMMARY OF MTFP 2019/20 IMPACTS

### 1.1 Summary of Impacts for MTFP 2019/20

In order for the Council to fulfil its legal requirements under the Public Sector Equality Duty, members are asked to have due regard to the equality impact assessments supporting the proposals attached to this decision. An Equality Impact Assessment is a way of analysing changes to our services, policies and strategies and identifies potential impacts on characteristics protected under the Equality Act 2010. This allows us to make informed decisions that can be evidenced and shared with interested parties.

The characteristics protected under the Equality Act 2010 are:

- age
- disability
- gender reassignment
- marriage and civil partnership
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation

Whilst assessing the Protected Characteristics for Somerset it was established that there were additional characteristics that for Somerset had a real impact on the ability of people to access services and take part in the wider community. These additional local characteristics are rurality, low income, carers and military status.

This due regard should be considered with the duties set out in the Public Sector Equality Duty. So for the characteristics identified above will the change help or hinder:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

This summary of key impacts and the equality impact assessments have been developed to help councillors:

- debate the issues,
- consider proposed decisions,
- consider the viability of alternatives
- agree potential mitigating measures and note impacts which may not be able to be mitigated
- make informed and fair decisions

The Equality Act 2010 does not prevent the Council from taking difficult decisions which result in service reductions or closures for example, it does however require the Council to ensure that such decisions are:

- Informed and properly considered with a rigorous, conscious approach and an open mind.
- Taken following due regard having been given to the effects on the protected characteristics with the need to ensure nothing results in unlawful discrimination in

terms of access to, or standards of, services or employment as well as considering any opportunities to advance equality and foster good relations.

- Proportionate (that negative impacts, including those that cannot be mitigated, are proportionate to the aims of the policy decision).
- Fair, necessary and reasonable
- Only taken following appropriate consultation with those affected.

Creating a picture of how people are being affected by the Council's budget reductions and proposed future changes to services is difficult and complex. People are different in terms of their needs and expectations; people's interaction with public services and dependence upon public services vary. Life changing events such as the birth of a child, death of a partner or deterioration in health can alter, sometimes very quickly, a person's dependence on services. Living in rural communities may be a dream for some but for others it can also present challenges.

Consideration of the continuing need to reduce inequalities as far as possible must be integral to the budget reduction process. There must be an appropriate balance struck between, on the one hand being aware of the impact and risks, seeking to avoid or mitigate adverse impacts and, on the other, the benefit and necessity to making the saving to achieve a balanced budget. It is therefore inevitable that it may not be possible to mitigate all impacts.

### **Cumulative Equality and Diversity Impacts for the 2019/20 Medium Term Financial Plan (MTFP)**

Based on the proposals put forward within this report there are a number of impacts, which, when looked at together, could have combined impacts on characteristics protected under the Equality Act 2010. They are:

- There are a number of proposals that could affect **disabled people**. This could be through what services are available for people to access, the services that are available being reduced or their ability to navigate Somerset independently.
- **Women** are also more likely to be impacted by a combination of proposals. As women are still more likely to provide a child or adult caring role they could be disproportionately affected by the changes to support services for disabled people and young people.

When considering these identified cumulative impacts, it is also worth considering the outstanding elements from decisions taken in-year. This could be because the decision has been delayed due to consultation being completed or a phased implementation to a decision already taken. When these are looked at they can contribute or create new cumulative impacts such as:

- **Women** could be further impacted with the remainder of the reductions in funding to Advice Services. The additional reductions in youth services could place more of a burden on women who are more likely to be the main care givers in a home. This could then be further impacted by reductions to support provided to families.
- Taking these additional savings into account there could be a cumulative impact on **young people**. This would be through a further reduction in youth services, and the support provided to their parents through the GetSet services.

There are some mitigations identified within the individual proposals to minimise the impacts identified. This include

- working with the voluntary and community sector to provide some of the support services we currently provide
- providing sign posting and advice on alternative areas of support and services

2019/20 Proposals for Change Savings Totals

Service	Proposals for Decision				Proposals requiring consultation				TOTALS for Proposals for Decision and Proposals Requiring Consultation				Proposals for information - decision already taken (no proformas)				TOTALS			
	No. Proposals for Change	Max 19/20	..of which is ongoing savings	Additional ongoing savings from 20/21	No. Proposals for change	Max 19/20	..of which is ongoing savings	Additional ongoing savings from 20/21	No. Proposals for change	Max 19/20	..of which is ongoing savings	Additional ongoing savings from 20/21	No. Proposals for change	Max 19/20	..of which is ongoing savings	Additional ongoing savings from 20/21	No. Proposals for Change	Max 19/20	..of which is ongoing savings	Additional ongoing savings from 20/21
Adults Services	5	2837.0	2837.0	219.0	0	0.0	0.0	0.0	5	2837.0	2837.0	219.0	3	552.0	552.0	0.0	8	3389.0	3389.0	219.0
Children's Services	6	1701.0	925.7	0.0	0	0.0	0.0	0.0	6	1701.0	925.7	0.0	0	0.0	0.0	0.0	6	1701.0	925.7	0.0
ECl	22	1451.2	1114.2	20.0	0	0.0	0.0	0.0	22	1451.2	1114.2	20.0	2	856.0	856.0	234.1	24	2307.2	1970.2	254.1
Corporate Services	9	1432.9	1067.9	126.5	2	740.0	740.0	54.2	11	2172.9	1807.9	180.7	5	783.0	783.0	0.0	16	2955.9	2590.9	180.7
Financial Adjustments	0	0.0	0.0	0.0	0	0.0	0.0	0.0	0	0.0	0.0	0.0	4	4708.0	3108.0	0.0	4	4708.0	3108.0	0.0
<b>TOTALS</b>	<b>42</b>	<b>7422.1</b>	<b>5944.8</b>	<b>365.5</b>	<b>2</b>	<b>740.0</b>	<b>740.0</b>	<b>54.2</b>	<b>44</b>	<b>8162.1</b>	<b>6684.8</b>	<b>419.7</b>	<b>14</b>	<b>6899.0</b>	<b>5299.0</b>	<b>234.1</b>	<b>58</b>	<b>15061.1</b>	<b>11983.8</b>	<b>653.8</b>

One-off savings (for decision or consultation) = 1477.3

One-off savings for 19/20 = 3077.3

## Appendix E1: Summary of Savings Proposals for 2019 - 2022 for Full Council

Service Area Ref.	Proposal Title	Brief Summary	Sum of Max Value 2019/20 Saving (£,000)	Sum of Max Value 2020/21 Saving (£,000)
<b>Adult's – For Decision</b>				
Adults 1920-01	<b>Rationalisation of Extra Care Housing provision in Somerset</b>	As part of MTFP2, ASC funded support to three Extra Care schemes has been de-commissioned of those schemes that are furthest from the desired model and have no or very little support being delivered in them. Going forward, there is a confidence a further 8 out of the 22 remaining schemes do not provide good value for money and as a model do not support good community support or interactions. It is therefore felt that the ASC funded support could be withdrawn and used in better ways. For clarity the schemes will not close, but it is expected that they would continue as either general needs housing suitable for older people or specialist sheltered housing / Assisted living.	604	219
Adults 1920-03	<b>Review of Care Packages</b>	Adult Social Care (ASC) have a statutory responsibility to carry out reviews under the Care Act on an annual basis. There are currently 6,832 people receiving care and support within the community. ASC are committed to improving individual lives by providing the right kind of support however the service has identified that when carrying out a strengths-based person-centred review in line with the 'Promoting Independence' strategy show that savings can be achieved. On the basis of progress in 2018 -19 further savings will be delivered whilst still improving outcomes for individuals.	1100	0
Adults 1920-04	<b>KeyRing Grant Reduction</b>	KeyRing network provides a variety of accommodation and housing related support for clients. Moving forward ASC are looking to re-provide the support that is currently given to members in Glastonbury/Street as information suggests that individuals do not need or require this level of support and people have been successfully integrated back into their communities.	15	0
Adults 1920-09	<b>Managing Demand / Reduction in placements in</b>	This proposal is aligned to the reduction that has been seen in placements in residential and nursing care and over the last few years and the continued change of approach within the ASC sector. This builds upon the reduced dependency on this model of support both as a result of the 'Promoting Independence' strategy and also the focus on keeping people at home with support.	1068	0

Service Area Ref.	Proposal Title	Brief Summary	Sum of Max Value 2019/20 Saving (£,000)	Sum of Max Value 2020/21 Saving (£,000)
	residential nursing care			
Adults 1920-10	<b>Reduction of Independent Assessor support in the deprivation of Liberty safeguards service</b>	The service currently uses a mix of internal and external assessors to manage MCA assessments. The service is proposing to reduce reliance upon independent Best Interest Assessors (BIAs) (Expensive) and ensure maximum effectiveness of our in-house assessors.	50	0



Service Area Ref.	Proposal Title	Brief Summary	Sum of Max Value 2019/20 Saving (£,000)	Sum of Max Value 2020/21 Saving (£,000)
<b>Children's – For decision</b>				
Chil1920-01	<b>Support for School Improvement</b>	To use the School Improvement Monitoring and Brokering Grant to fund the salaries of the Primary School Improvement Advisers currently funded by the LA.	220.4	0
Chil1920-02	<b>Reduction in support for Early Years capital programmes</b>	Reduction in staffing capacity supporting EY capital programmes as a result of reduced capital programme for 19/20.	13.6	0
Chil1920-03	<b>CSC realignment savings</b>	Proposed realignment of social work services within the county around an east-west split.	573.4	0
Chil1920-04	<b>Children's Staffing Vacancies</b>	Hold a number of positions we have been unable to recruit to as vacant positions for one year.	775.3	-775.3
Chil1920-05	<b>Early Years Entitlements</b>	Changes to processing of payments of the Early Years Entitlement and funding for 2-year olds including the extended entitlement paid to EY providers.	20	0
Chil1920-06	<b>SEN transport</b>	Reducing the cost of providing transport to specialist provision.	98.325	0

Service Area Ref.	Proposal Title	Brief Summary	Sum of Max Value 2019/20 Saving (£,000)	Sum of Max Value 2020/21 Saving (£,000)
<b>Corporate – For consultation</b>				
Corp 1920-07	<b>Restructure of HR Admin and Payroll Service</b>	Savings to be realised due to E processes and other innovation projects.	95	9.2
Corp 1920-12	<b>Corporate Affairs Re-structure</b>	Review of structures across ICT, Commercial Procurement and Customers & Communities and wider organisational efficiencies.	645	45
<b>Corporate – For decision</b>				
Corp 1920-01	<b>Pathway to Employment Budget Reductions</b>	SCC do not support Pathway to Employment and the budget not already committed for 19/20 is permanently released.	65	126.5
Corp 1920-02	<b>Vacant IT Training Manager position</b>	Permanently release current budget for IT Training Manager position.	40.7	0
Corp 1920-03	<b>Vacant HR Advisor position</b>	Permanently release current budget for part time HR Advisor position.	24.5	0
Corp 1920-04	<b>Vacant OD Service Manager position</b>	Permanently release current budget for OD Service Manager position.	47.7	0
Corp 1920-05	<b>Permanent reduction in Learning &amp; Development training budget</b>	Reduction in training budget.	100	0
Corp 1920-13	<b>ICT Contract and Service Change</b>	Contract savings and reductions. SAP, ATP, Express Route, eDOCS.	847	-345

Service Area Ref.	Proposal Title	Brief Summary	Sum of Max Value 2019/20 Saving (£,000)	Sum of Max Value 2020/21 Saving (£,000)
Corp 1920-14b	<b>ICT Resource income generation</b>	Opportunity to generate income through charging for resource time.	20	-20
Corp 1920-17	<b>Additional contractual efficiency savings</b>	Deep dive review of Tier 1 Contracts to identify efficiency savings in changing scope, scale and/or re-negotiating price.	168	0
Corp 1920-23	<b>Review of Fees and Charges</b>	Review charge out rates in respect of external customers and time charge rates against capital and grant funded project.	120	0

Service Area Ref.	Proposal Title	Brief Summary	Sum of Max Value 2019/20 Saving (£,000)	Sum of Max Value 2020/21 Saving (£,000)
<b>ECI – For decision</b>				
ECI 1920-03	<b>Reduction in Rights of Way Service Delivery</b>	Reduce the routine vegetation clearance programme on RoW. The annual contract spend is approximately £85k (delivered through a Framework Agreement & competitive process). It is proposed that £25k of this budget is surrendered.	25	0
ECI 1920-04	<b>Implement a 1-swathe width cut across the entire planned verge maintenance programme 2019/2020.</b>	Service currently implements variable swathe width cuts across the network. Saving to be achieved by modifying extent of cutting undertaken in this 16-week countywide programme. Visibility splays and forward sight lines, as defined in the inventory, to remain as part of the agreed service provision.	90	0
ECI 1920-05	<b>Capitalisation of the existing revenue funded Ditches and Grip budget</b>	Works involve creating new, permanent, assets.	60	0
ECI 1920-09	<b>Highways Winter Emergency Service - removal of road side salt supplies</b>	Removal of roadside salt supplies for self-help usage by the travelling public in winter conditions. Prior to 2018/2019 SCC policy was for salt to be supplied for this operation contained in grit bins and 1 tonne dumpy bags. This service was stopped for the winter of 2018/2019 as a one-off measure. Whilst this has been temporarily reinstated the proposal is to remove this provision as an ongoing measure from 2019/2020 onwards.	40	0
ECI 1920-10	<b>Highways Staff Structure Review</b>	Review staff structure in response to Asset Management Project. Asset management is a well-established discipline for the management of physical assets. Many asset owning organisations have adopted the principles of asset management and as a result, can demonstrate benefits in terms of financial efficiencies, improved accountability and stewardship of the asset, better value for money and improved customer service.	80	0

Service Area Ref.	Proposal Title	Brief Summary	Sum of Max Value 2019/20 Saving (£,000)	Sum of Max Value 2020/21 Saving (£,000)
ECI 1920-13	<b>Highways – Winter &amp; Emergency Service (Gritter Fleet Disposal)</b>	To sell the three gritters which have been replaced by new gritters purchased in advance of the 2018/19 winter season. The gritters are no longer required to support service delivery.	27	-27
ECI 1920-14	<b>Disposal of Land Rover fleet</b>	Following the review and revision of the Winter Service Policy, there is no requirement for SCC operational staff to drive in challenging climatic conditions that would necessitate the specific provision of a 4x4 vehicle. A £75k one off saving for disposal to capital receipts is expected alongside £3.2k ongoing running cost savings.	78.2	-75
ECI 1920-17	<b>Reduce traffic management and parking service revenue costs</b>	Review how Traffic Management and Parking services are undertaken with a view to reducing the revenue budget. This will include ensuring full cost recovery, income generation and service re-design by bringing Parking Services into the Traffic Management service structure.	100	-100
ECI 1920-19	<b>Further reductions in road safety and transport data service</b>	Reduce revenue costs by £150,000 in 2019/20 by reducing the Road Safety and Transport Data services towards a statutory minimum funded from SCC budgets. This is a 22% reduction of the total revenue budget.	150	0
ECI 1920-20	<b>Rights of Way - reduction of town &amp; village green budget &amp; reduction of Exmoor NPA contribution</b>	Surrender Town & Village Green budget of £15k for 2019/20 - A one-off in-year saving of £15k can be surrendered in relation to Town & Village Green registrations. This would be the second year of surrendering this budget. Exmoor National Park Authority (ENPA) contribution – reduce by £5k - The current contribution from the Council to ENPA for delivery of statutory functions in relation to rights of way is £28,046. It is proposed that this could be reduced by £5,000 to £23,046.	20	-15
ECI 1920-21	<b>Monmouth House Lease Surrender</b>	Surrender of under-utilised lease of Monmouth House and move of SWP to Broughton House with associated rental income.	90	0

Service Area Ref.	Proposal Title	Brief Summary	Sum of Max Value 2019/20 Saving (£,000)	Sum of Max Value 2020/21 Saving (£,000)
ECI 1920-22	<b>Vacation and surrender of 1 The Crescent</b>	Surrender of lease of surplus building (leased in) and move of teams to underutilised first floor of Paul Street Library.	85	0
ECI 1920-23	<b>New rental income</b>	This relates to rental for a production kitchen unit on the old St Augustine's site. The current tenant only paid rental based on profitability as a legacy of the Free School Meals project but has served notice. A new tenant/provider is being sought for the unit.	20	-20
ECI 1920-24	<b>Staff Restructure</b>	Loss of Apprentice role - removing the post in Estates which comes to an end and covering those functions previously carried out by the apprentice through re-distribution of those functions among the remaining team and re-prioritisation of other tasks.	13	0
ECI 1920-24a	<b>Staff Restructure</b>	Flexible retirement - following discussions with one member of staff, there has been an application for flexible retirement which would see a full time post reduced to 3/5.	10	10
ECI 1920-25	<b>Corporate Landlord</b>	This proposal relates to the new Corporate Landlord model for delivering property and asset management, whereby responsibility for our property assets passes to the Corporate Property Group allowing for a consistent and joined up approach to all property matters and enabling savings from rationalisation, increased utilisation and economies of scale.	50	0
ECI 1920-26	<b>Reprographics Review</b>	<p>New model of operations for Reprographics being proposed involving reduced reliance on high cost per click in-house options and reduced overhead.</p> <ul style="list-style-type: none"> <li>- Relocate two Multi-functional devices (MFDs) with full colour enabled from elsewhere in County Hall to Reprographics to be used for small-scale print jobs and terminate the lease (3 months' notice) on two large-scale Xerox machines.</li> <li>- Reprographics to act as a broker for print/finish jobs, outsourcing when print quality and/or price is better than in-house.</li> <li>- Set up a dynamic procurement system or increased number of approved external suppliers to 'bid' for each print job.</li> <li>- Review job descriptions for two posts in Reprographics.</li> </ul>	25	0

Service Area Ref.	Proposal Title	Brief Summary	Sum of Max Value 2019/20 Saving (£,000)	Sum of Max Value 2020/21 Saving (£,000)
ECI 1920-27	<b>Beckett House</b>	Savings from running costs assuming new use/disposal - options currently being explored include possible re-use as enterprise centre which could generate income, but this may not hit property budgets and so this proposal relates only to the small annual running costs currently picked up within our group, which would either be passed to tenants or reassigned as the property is disposed of. Proposal will require the relocation of the Registration Service.	3	0
ECI 1920-28	<b>Dr Morgan's School Site</b>	Savings expected from current running costs assuming disposal by October 2019. This proposal relies on the planned relocation of the Libraries West operation to new more suitable premises.	10	10
ECI 1920-29	<b>Health and Safety System replacement</b>	Savings secured through procurement of new supplier for Health and Safety management system. Implementation took place in 18/19 with savings only to be realised in 19/20 due to mobilisation costs.	20	0
ECI 1920-33	<b>Economic Development savings</b>	This proposal includes the following two elements to enable a reduction in the net revenue base budget allocation by SCC for economic development from 2019/20: 1. Fund SCC's contribution to the annual programme management costs of the Connecting Devon and Somerset programme through the use of capital receipts flexibility (£180k) 2. Public Health funding of inclusive growth outcomes via economic development (£50k)	230	0
ECI 1920-Waste	<b>Waste savings</b>	Proposal subject to Somerset Waste Board approval in February 2019. <a href="http://democracy.somerset.gov.uk/documents/s9103/Financial%20Performance%20-%20Year%20To%20date%20and%20Draft%20Budget%20Dec%202018.pdf">http://democracy.somerset.gov.uk/documents/s9103/Financial%20Performance%20-%20Year%20To%20date%20and%20Draft%20Budget%20Dec%202018.pdf</a>	225	-100

Appendix E2 –  
Adults & Health  
Proposals for  
Change –  
For decision for 2019  
– 2022



## Proposal for Change:

### ASC1920-01 – Rationalisation of Extra Care Housing provision in Somerset

Reference:	ASC1920-01
Service Area:	Adults Social Care
Director:	Stephen Chandler
Strategic Manager	Steve Veevers
SAP Node	EHA

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
<b>X</b>	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p>Extra Care Housing (ECH) is provision of accommodation-based care and support to people, allowing them to live independently. Effectively, it is having 24-hour carers based in a building, being on hand to respond to emergencies, planned care or provide group activities. When commissioned well, the model can be highly effective in helping people to stay independent and well for much longer in the community, reducing the need for more intensive settings like residential or nursing care. The presence of core support, as well as the benefit of friendships and networks with other residents are all positive factors for people's wellbeing on vibrant and busy schemes.</p> <p>Somerset County Council currently fund background, night and management staffing (Core) in 23 extra care schemes across the county, some are well utilised, but some have lower levels of care delivered in the schemes. A proportion of these are at a level where the investment in "core" support does not represent value for money or provide a reduction in the "paid for" care to people.</p> <p>The council's commissioners, information systems and recording of care delivery in Extra Care have been instrumental in the development of this proposal that has</p>

considered the usage within the schemes and provided an update of both assessed care (that which people are eligible to receive following a social care assessment) and core staffing (which may be preventing them needing further care or helping people stay independent).

There are a number of schemes where the assessed care delivery hours are considerably low, it is expected to have a minimum of 200 hours for a scheme to make it economically viable for the care provider. Also, some schemes within the current stock do not meet the recommended design for Extra Care Housing. Schemes need to be accessible, or be capable of being adapted, to facilitate the delivery of personal social and health care services. A number of the Somerset schemes have a dispersed bungalow setting over a large area that make it difficult for staff to deliver services effectively and raises concerns for night staff travelling alone.

The recommended model for Extra Care is a single building, with multi occupancy of approximately 40 or 50 units. Best practice research informs us that in order to have a vibrant and balanced community within an Extra Care scheme, residents should have a range of dependency needs, the general principle is that there will be mixed range of assessed care needs with a third of the population having low, another third having medium and the remaining third high.

The proposal would not mean that people need to move from their home, as their right to tenancy in the property will remain, but the proposal is to remove the core care component of the Extra Care Scheme where it is not currently value for money. However, due to the cumulative effect to the market of the removal of the core component across multiple schemes, this must happen in a phased approach to facilitate the transitional period, therefore, a clear programme would need to be developed to enable the savings whilst not overly disrupting the marketplace or providers.

The levels of investment by Somerset County Council vary by scheme, dependent on the number of units of accommodation. The net investment figure is offset by the client contribution of approximately 21% per scheme.

Adult Social Care (ASC) are proposing to remove the core component from 8 schemes in 2019/20 to generate a possible full year saving of £823,000 with 2019/20 savings totalling £604,000.

To ensure minimal disruption a programme will be developed and will be delivered over the year period that will ensure minimal risk to the Housing Provider market.

For clarity, the schemes will not close, but it is expected that they would continue as either general needs housing suitable for older people or specialist "sheltered housing" / assisted living.

It is expected that the residual schemes would be effective and at a level that would represent value for money.

## **2a. Confidence level**

100 %

Initial conversations “in principal” have already occurred with housing providers and care providers and commissioners are confident that the removal of the core component of the least financially viable ECH schemes would be possible to achieve.

This would not adversely affect the provision of specialist housing in Somerset and it is considered that demand for this type of services warrant this correction of this type of accommodation that does not meet the desired model of Extra Care.

The concern of commissioners is the de-stabilisation of the market which could potentially have severe impact on the sustainability of the Care and Housing providers, if the withdrawal is made too quickly.

## **3. Impact on residents, businesses and other organisations:**

Those people living in schemes that are identified for decommissioning will face the removal of the 24-hour care and support provision. Specifically, these schemes have been chosen as they currently have minimal use of the night support and little use of the background staffing. Replacing with a provision of home care, as if people were living in general needs housing, will continue to meet any assessed needs under the Care Act.

Providers who are providing the care under contract will suffer a loss of income and a change to the provision. This may impact on their staffing negatively, for example needing to make redundancies / redeployment of staff that were previously delivering this service. This may need to be taken into account for one off cost out of any saving proposals.

Landlords providing the housing will also have a loss of income from the grant from SCC, provided to them. As specialist Residential Social Landlords (RSL's) they will have social responsibilities to providing specialist accommodation. There may well be a reputational impact on these landlords, although some have already agreed in principal to changes set out.

Adult Social Care will also need to manage the relationship with District Councils who could be disengaged with the proposals due to the change in service being offered. This relationship will be managed by Commissioners to ensure that joint strategic aims are agreed, and any feedback or issues are listened to and resolved to both parties satisfaction.

Further information on impacts can be found in the Equalities Impact Assessment.

**4. Impact on other services we provide:**

This proposal may have an impact on other services, specifically if the current Extra Care Provider, when given notice, opts to not provide the assessed domiciliary / home care to people. If this was to occur then other providers will need to be found, more likely that not from current domiciliary care providers.

There will be also be an impact on operational social work teams in completing reviews or assessments of people that may have not been done recently.

No other impact on other services is expected.

**5. Impact on staff:**

No impact on SCC staff, however, there could be potential impact on provider staff if the service provision was reduced.

**6. Resources and support needed to make the change:**

Would require;

- Commercial and Procurement resource to agree contractual changes required.
- Commissioner resource will be required to agree and negotiate changes.
- Project & Change Manager to lead the delivery of the programme.

**7. Timescale to deliver and major milestones:**

Milestone	Date
Full Council Sign off	Feb 2019
Planning and preparation phase including comms to housing providers (ALL)	March 2019
<b>Tranche 1:</b> TBC de-commissioned schemes	March 2019
<b>Tranche 2:</b> TBC de-commissioned schemes	May 2019
<b>Tranche 3:</b> TBC de-commissioned schemes	July 2019
Delivery of in year savings	September 2019
Commencement of 100% in year savings	January 2020

**8. Risks and opportunities:**

Individual service users may need reviews to ensure continuity of care.

Any delay in the phasing of the decommissioning will reduce the level of savings able to be achieved.

Relationship with District Council maybe negatively impacted by changes.

**9. Dependencies:**

- Contract with care providers
- Grant Agreements with Landlords
- Work being undertaken through FIT.
- District Councils

All dependencies will be managed through the service.

**10. Initial Equality Impact Assessment:**

Please see separate Equalities Impact Assessment.

**11. Consultation and Communications plan:**

Formal Consultation on mitigation of the impact, will be undertaken for all schemes affected. A full consultation and communication plan is in place for each of the identified schemes, ready to be enacted.

**12. Legal Implications:**

There is no statutory duty to provide service, the changes are to be addressed through contractual and grant changes.

Also need to demonstrate how this decision is consistent with the wellbeing duty in the Care Act 2014. Must address market-shaping duty of the local authority under section 5(1) and 5(2)(f) Care Act 2014.

**13a. Financial Implications – net change to service budget in each year:**

Are the savings evidenced based?

Yes

If no, when is evidence expected?

N/A

Please note: these figures should be cumulative (as per the approach for MTFP and savings)

£s	Savings	Income	Growth/Costs	Total	Ongoing or One-off?
2019/20	£ 604,000	£	-£	£ 604,000	Ongoing
2020/21	£ 219,000	£	-£	£ 219,000	Ongoing
2021/22	£			£	
2022/23	£			£	
<b>Total</b>	<b>£ 823,000</b>	<b>£</b>	<b>-£</b>	<b>£ 823,000</b>	

**13b. One off project costs and income (not included in above):**

£s		
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>



# Somerset Equality Impact Assessment

Organisation prepared for	Somerset County Council		
Version	V1.0	Date Completed	19 <sup>th</sup> November

## Description of what is being impact assessed

### Rationalisation of Eight Extra Care Schemes to general needs housing

Extra Care is seen as a valuable and arguably, essential resource for older people in Somerset to have a range of accommodation based support options, as people’s care needs and mobility needs increase. Good extra care allows for flexibility of delivery and wider community involvement. Extra Care Housing, when done well is provision of accommodation-based care and support to people, allowing them to live independently in a building purpose built.

Effectively, it is having carers based permanently in a building, being on hand to respond to emergencies, planned care or provide group activities, supported by a range of technology solutions, community activity and mutual encouragement from peers.

Effective use of the service would mean that people who reside in the schemes have a need for the care, which is not the case in some schemes in Somerset and has led to the decision to decommission some of the least efficient and furthest from the desired model.

The council’s information systems and recording on care delivery in Extra Care have been instrumental in the development of this proposal that has looked at the usage and update of both assessed care (that care which people are eligible to receive following a social care assessment) and core staffing (which may be preventing them needing further care or helping people stay independent)

The proposal would not mean that people need to move from their home, as the property will remain, but the proposal it to remove the core care component of the Extra Care Scheme and people will still retain their assessed care packages, as would anyone living in their own home or general tenancy in the community.

## Evidence

This information in care delivery reports, would indicate that in the identified schemes there is no or very low uptake on the provided “core” care, meaning that there would be little or no impact on the people living in these schemes of removing the core care. People will still be able to receive any care act eligible care or support that they require from a domiciliary care company for their assessed care as with any other person living in their own home in general housing (either rented, owned or from social landlords) This assessed care will be offered to the current care and support provider in the first instance to maintain continuity or support the transfer to another care provider if more appropriate.

Scheme A - currently delivering 35.75 assessed care hours per week  
Scheme B - currently delivering 85.75 assessed care hours per week  
Scheme C - currently delivering 62.25 assessed care hours per week  
Scheme D - currently delivering 34.25 assessed care hours per week  
Scheme E - currently delivering 67.25 assessed care hours per week  
Scheme F - currently delivering 63.50 assessed care hours per week  
Scheme G - currently delivering 84.25 assessed care hours per week  
Scheme H - currently delivering 103.50 assessed care hours per week

All of the 19 remaining ECH schemes have a higher proportion of women to men, due to the age component of the people living in them.

## Who have you consulted with to assess possible impact on protected groups?

The residents of the eight identified schemes will be engaged with before the removal of the care and following the decision for these schemes. This engagement is specifically about the impact and mitigations of the removal of this service on residents and families. For clarity, this is not a consultation on the decision to decommission the support but helping people to understand the impact of the removal of the care and support and what can help to implement the changes.

This engagement will take the form of letters to residents, engagement meetings in the schemes, information packs and questionnaires for residents and dedicated inbox and telephone number for correspondence.

This will be conducted alongside stakeholder engagement with the care & support provider and landlord to ensure that a range of views are captured about the mitigation that might be needed and any individual residents that might need some specific alternative response.

**Analysis of impact on protected groups**

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>There will be a reduction in the number of specialist housing options for OLDER people with the removal of eight extra care schemes People who live in the effected Extra Care will experience a loss of formal support and wider social networks.</li> <li>People who wish or need to access extra care may need to move further from their current home.</li> </ul>	☒	☐	☐
<b>Disability</b>	<ul style="list-style-type: none"> <li>There will be a reduction in the number of specialist housing options for DISABLED people with the removal of eight extra care schemes People who live in the effected Extra Care will experience a loss of formal support and wider social networks.</li> <li>People who wish or need to access extra care may need to move further from their current home.</li> </ul>	☒	☐	☐
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>All people have equal opportunity to access the remaining Extra Care schemes.</li> </ul>	☐	☒	☐
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>All people have equal opportunity to access the remaining Extra Care schemes.</li> </ul>	☐	☒	☐
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>Not an affected group</li> </ul>	☐	☐	☐



<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>All people have equal opportunity to access the remaining Extra Care Schemes.</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>All people have equal opportunity to access the remaining Extra Care</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	<ul style="list-style-type: none"> <li>A higher proportion of women than men live in extra care, currently at a proportion of 64% to 36%. This means that women may be impacted more than men.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>All people have equal opportunity to access the remaining Extra Care schemes.</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>With the removal of the background staffing in extra care schemes, people may experience greater social isolation with the loss of some interaction with paid staff.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Negative outcomes action plan</b>				
<b>Action taken/to be taken</b>	<b>Date</b>	<b>Person responsible</b>	<b>How will it be monitored?</b>	<b>Action complete</b>
Monitoring of numbers / demand for extra care	31/12/2018	Vicky Chipchase	Allocation meetings	<input type="checkbox"/>
Development of more modern, cost effective extra care to replace this and other losses. The reason for the long timescale on this action is due to the time it will take to raise funding, identify a site and housing partner and then physically build new extra care schemes.	01/04/2020	Steve Veevers	Extra Care development plan	<input type="checkbox"/>
With the loss of on site care providers, people may experience a reduction in the contact with other people, but Somerset is promoting the use of the “community connect” model, of supporting people to be more active and participative in their local areas.	31/05/2019	Pip Cannons	Community Connect data	<input checked="" type="checkbox"/>

Reviewing individual plans of those potentially affected by the changes.	31/03/2019	Vicky Chipchase	Monthly reviews	<input type="checkbox"/>
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<b>If negative impacts remain, please provide an explanation below.</b>	
The demography of the older population nationally, regionally and locally evidences that women live longer than their male counterparts, meaning that there is a larger older person population than men. This means that there is likely to always be a larger cohort of women than men that live in Extra Care and therefore likely to be disproportionately impacted by any changes.	
<b>Completed by:</b>	<b>Steve Veevers</b>
<b>Date</b>	<b>19<sup>th</sup> November 2018</b>
<b>Signed off by:</b>	<b>Stephen Chandler/Tom Rutland</b>
<b>Date</b>	<b>November 2018</b>
<b>Equality Lead/Manager sign off date:</b>	<b>November 2018</b>
<b>To be reviewed by: (officer name)</b>	<b>Steve Veevers</b>
<b>Review date:</b>	<b>March 2019</b>

## Proposal for Change: ASC1920-03 – Reviews of Care Packages

Corporate Plan Priority:	ASC1920-03
Service Area:	Adults
Director:	Stephen Chandler
Strategic Manager	Emily Fulbrook
SAP Node	EHA

1. The proposal is to:	
X	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p>Adult Social Care (ASC) have a statutory responsibility to carry out reviews under the Care Act on an annual basis. There are currently 6,832 people receiving care and support within the community.</p> <p>ASC are committed to improving individual lives by providing the right kind of support. We aim to raise people's ambitions about what they can achieve and help them to meet those aspirations. ASC have embedded a personalised, progression-based approach to individual reviews to enable people to be as independent as possible. We utilise Care Act guidance to determine assessed eligible need once all areas of natural support, assistive technology, equipment and community assets have been maximised.</p> <p>We will continue to use the methodology implemented in 2018/19 for reviews undertaken in 2019/20;</p> <ul style="list-style-type: none"> <li>• Individuals are involved and able to contribute to their review, if the individual is unable too then a family member will be involved, or a referral will be made for advocacy.</li> <li>• Reviews are holistic, adopting a strength-based approach with the underpinning strategy of 'Promoting Independence'.</li> </ul>

- Planned reviews will be tracked on a weekly basis by the appropriate Teams.
- Review trajectory will be set for monitoring and accountability to the appropriate teams.
- Financial validation will be completed on a fortnightly basis.
- Financial monthly profile target to be set each month.
- Review Tracker and financial validation will be completed by Senior Responsible Officer and Finance Lead.
- Quality Assurance Audits will take place to include individual, family and carer feedback surrounding the quality of review completed.
- Peer Forums provide robust challenge and scrutiny for any increases in Packages of Care or complex case discussions, to ensure that the responses ASC provide are proportionate, timely and meet our statutory obligations in the most effective way for the service and the service user.

Through this approach we have improved Outcomes for individuals and are on track to achieve savings totalling £3.1M in 2018-19. This has resulted in a robust approach including:

- Monthly Review Target assigned across the service – 200 per month
- Performance Reporting to teams and managers – Weekly Basis
- Financial Validation of impact of changes – Fortnightly basis with monthly recording against profile target.
- Quality Assurance Audit – 25 per month across ASC
- Reviews presented at Peer Forum – All planned reviews

## **2a. Confidence level**

100 %

The review methodology and principles will be based on the work undertaken during 2018/19 to deliver target review savings. We therefore have a high level of confidence in being able to achieve the savings identified.

Since April 2018 ASC have completed 2,301 reviews and associated financial validation.

## **3. Impact on residents, businesses and other organisations:**

By completing person centred reviews under the Care Act there will be positive changes made to individual packages of support, by promoting people's independence and raising ambitions. ASC will continue to meet eligible needs, but we may meet them differently that may have a financial saving.

Individuals will be supported to maximise their own support network and develop and maintain community support options.

**4. Impact on other services we provide:**

By working differently and moving away from traditional models of support we will be utilising community options and resources. There may be an impact on community systems that support individuals, ASC have developed strong links with community systems and will be able to effectively monitor any impact.

Links will be made between Operational teams and Strategic Commissioner for Communities, to identify any pressure areas and support in continued market shaping for the future.

**5. Impact on staff:**

No impact on Somerset County Council staff.

**6. Resources and support needed to make the change:**

No additional resource requirements.

**7. Timescale to deliver and major milestones:**

Reviews will be monitored on a monthly basis.

**8. Risks and opportunities:**

As part of the review work being completed there may be individuals who's care, and support needs will increase where the assessed personal budget is not reflective of need and identified outcomes. Review tracking will be implemented as part of the methodology to monitor the financial impact.

**9. Dependencies:**

None

**10. Initial Equality Impact Assessment:**

Impact will be on all client groups across adult social care. No Equalities Impact Assessment required.

**11. Consultation and Communications plan:**

Following conversations with the Corporate Equalities Manager it was agreed that consultation was not required.

**12. Legal Implications:**

What SCC is required to do by law is:

- a. Assess the relevant adult to determine what needs s/he has.
- b. Where SCC is satisfied that on the basis of the needs assessment that the adult has needs for care and support or that a carer has needs for support, it must determine whether any of the needs meet the eligibility criteria under Care Act 2014. Having made this determination as to eligibility, must give the adult concerned a written record of the determination and the reasons for it.
- c. , SCC must
  - i. consider what could be done to meet those needs that do
  - ii. ascertain whether the adult wants to have those needs met by SCC

iii. establish whether the adult is ordinarily resident in Somerset

*Care Act legislation relating to CHC*

Section 22 of the Care Act 2014 places a limit on the care and support that can lawfully be provided to individuals by local authorities. That limit is set out in section 22(1) and is as follows:

*'A local authority may not meet needs under sections 18 to 20 by providing or arranging for the provision of a service or facility that is required to be provided under the National Health Service Act 2006 unless-*

*(a) doing so would be merely incidental or ancillary to doing something else to meet needs under those sections, and*

*(b) the service or facility in question would be of a nature that the local authority could be expected to provide'.*

**13a. Financial Savings – net change to service budget in each year:**

Savings are based on the following;

Since April 2018 ASC have completed 2,301 Care at Home and Direct Payment Reviews, the Full Year Effect savings that are mapped on the basis of savings achieved through this process is predicted at £3.1M

Are the savings evidenced based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£'000's	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£1,100	£	-£	£1,100	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£1,100</b>	<b>£</b>	<b>-£</b>	<b>£1,100</b>	Ongoing

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£

	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
	TOTAL	£

## Proposal for Change: ASC1920-04 – Key Ring Grant Reduction

Corporate Plan Priority:	ASC1920-04
Service Area:	Adults
Director:	Stephen Chandler
Strategic Manager	Steve Veevers
SAP Node	EC

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
<b>X</b>	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p>The KeyRing network provides a variety of accommodation and housing related support for clients with a learning disability and / or low-level Mental Health needs. There are two KeyRing networks currently in Somerset, one in Frome which is well used and utilised and a second that covers Glastonbury &amp; Street which is not well utilised. Support is based on tenants (network members) living in their own homes but sharing their skills and talents with each other and with their local communities, with the help of volunteers and community members.</p> <p>Each KeyRing network consist of a community living volunteer and up to 9 individual units or flats which the tenants will individually rent from Housing providers. The network also has Community Support Workers and Supported Living Managers who make sure that members get the support that they need.</p> <p>However, moving forward Adult Social Care are looking to re-provide the support that is currently given to the few members in the Glastonbury/Street area to a different cohort of people, supported by the leaving care team. Data supports that the KeyRing scheme in Glastonbury/Street is not sufficiently utilised and therefore, is not warranted as value for money.</p> <p>With this in mind Adult Social Care are proposing to reduce the grant money to KeyRing. Each of the networks has a maximum 9 units and has a total cost of</p>



£32,000, this proposal is therefore committing to save the authority £15,000. Savings can commence once reviews have been completed which could be before December 2018 but will be completed before the start of the financial year.

## **2a. Confidence level**

100 %

Evidence from discussion with KeyRing and those using the service have confirmed it is not value for money and that there is no impact on the end user by reducing the grant in half.

Individual reviews of people currently accessing service are occurring and alternative, low or no cost options are being explored and implemented for people.

## **3. Impact on residents, businesses and other organisations:**

The five people currently accessing the KeyRing Scheme will experience a change in service as they are being reassessed, with an emphasis on greater independence, choice and control over their lives. KeyRing is in support of this and assisting in accessing alternative community provision.

## **4. Impact on other services we provide:**

No other impact is expected on other services that are provided, apart from the "business as usual" social work intervention of assessment and review.

## **5. Impact on staff:**

There is no expected impact on county council staff.

## **6. Resources and support needed to make the change:**

Commissioners consider that the changes are able to be made within the current resources but will need a modest level of assistance from contracts and procurement to enact the changes to the grant.

## **7. Timescale to deliver and major milestones:**

	<b>Milestone</b>	<b>Date</b>
	Reviews of all people to be completed.	December 2018
	Grant to be adjusted	March 2019

## **8. Risks and opportunities:**

Adult Social Care has been supporting and advising Children's Social Care on the use of a KeyRing scheme to support a group of young care leavers to have a better outcome than their current residential care.

This will have a positive outcome for their lives as well as the use of high cost residential placements for people.

## **9. Dependencies:**

No dependencies.

**10. Initial Equality Impact Assessment:**

The Corporate Equalities Manager has advised that he does not consider the equality duty relevant to this, as a detailed Impact Assessment is being conducted under the People Too workstream in Children's services.

Each of the people currently in receipt of support will be reviewed by a member of Adult Social Care and if there is any ongoing need, this will be assessed and provided for.

**11. Consultation and Communications plan:**

Individual work and assessment is happening with all the people currently using the Glastonbury/Street KeyRing scheme. Alternative provision will be discussed and progressed through this route.

**12. Legal Implications:**

Legal implications will be considered to ensure SCC continues to fulfil its statutory duties in relation to asylum seekers, clients with a learning disability or low-level Mental Health needs, and its duty to prevent needs for care and support (section 2 Care Act 2014).

A variation to the current grant agreement will need to be done, via the contracts team and legal services.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£15,000	£	-£	£15,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£15,000</b>	<b>£</b>	<b>-£</b>	<b>£15,000</b>	Ongoing

**13b. One-off project costs and income (not included in above):**

£s		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£

	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
	TOTAL	£0

## Proposal for Change: ASC1920-09 – Managing Demand / Reduction in placements in residential and nursing care

Corporate Plan Priority:	ASC1920-09
Service Area:	Adults
Director:	Stephen Chandler
Strategic Manager	Mel Lock
SAP Node	EHA

1. The proposal is to:	
<b>X</b>	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p>Adult Services in Somerset work to support, promote and enhance strong communities in order that people can live their lives as successfully, safely and independently as possible.</p> <p>Maintaining independence makes people happier, healthier, and helps reduce the need for future services. We believe that people themselves are best placed to determine what help they need and what goals they wish to achieve. The Adult Social Care (ASC) strategy is about promoting individual's wellbeing and independence.</p> <p>The nationally and Somerset picture is that people are choosing to stay in their own homes for as long as possible resulting less people going into residential and nursing care. To support this preferred model of delivery the Somerset Home First model is predicated on supporting people to return home following a hospital admission.</p> <p>This proposal is aligned to the reduction we have seen in in placements in residential and nursing care and over the last few years and the continued change of approach within the ASC sector. The cultural change across ASC has already seen a reduction in bed-based care in 2017/18 that equated to a saving of 1.012m</p>

This was made up of a 1.8% reduction in Residential spend (£0.273m) and a 4.0% reduction in Nursing (£0.739m).

### **2018/19 Modelling**

For 2019/20 the proposal is to continue to reduce the necessary demand by again reducing spend by 6% across both nursing and residential therefore generating the £1,068,000 target that has been put forward. The approach will be the same followed for 2018/19 but with improvements following a review of the approach and discussions around how it could be improved.

As we have this year locality teams, hospital systems and Mental Health Teams will monitor their admissions to residential/nursing care on a weekly/monthly basis against the individual targets. This is monitored through the weekly performance report, monthly performance Improvement meeting and Medium Term Financial Plan delivery board.

### **2a. Confidence level**

100%

2018/19 work has provided evidence that a reduction in demand and therefore cost is viable for 2019/20.

### **3. Impact on residents, businesses and other organisations:**

No impact on residents, business or other organisations.

### **4. Impact on other services we provide:**

No impact on services currently provided by Somerset County Council.

### **5. Impact on staff:**

No staffing implications.

### **6. Resources and support needed to make the change:**

Will continue to monitor via weekly / monthly reports as Business as Usual.

### **7. Timescale to deliver and major milestones:**

**To include date of implementation, key decision points and governance meetings**

N.A - admissions to res/nursing care on a weekly/monthly basis against the individual targets. This is monitored through the weekly performance report, monthly performance Improvement meeting and MTFP delivery board.

### **8. Risks and opportunities:**

Have identified the following risks;

- Over supply of residential and nursing in the market, as we reduce the demand there is a risk of destabilising the market, but opportunity is different models for delivery so the market change.

### **9. Dependencies:**

No dependencies

**10. Initial Equality Impact Assessment:**

Following agreement from the Corporate Equalities Manager it was agreed that an Equalities Impact Assessment was not required.

**11. Consultation and Communications plan:**

Following agreement from the Consultation Manager it was agreed that an Consultation was not required.

**12. Legal Implications:**

Operational team will need clear and robust guidelines on how to identify the appropriate care package to ensure that each service user receives care consistent with their need and therefore that SCC has properly carried out the needs assessment (section 9 Care Act 2014) and determined whether any of the needs meet the eligibility criteria (section 13 Care Act 2014).

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£1,068,000	£	-£	£1,068,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£1,068,000</b>	<b>£</b>	<b>-£</b>	<b>£1,068,000</b>	<b>Ongoing</b>

**13b. One-off project costs and income (not included in above):**

£s		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

## Proposal for Change: ASC1920-10 – Reduction of Independent Assessor support in the Deprivation of Liberty safeguards service

Corporate Plan Priority:	ASC1920-010
Service Area:	Adults
Director:	Stephen Chandler
Strategic Manager	Mel Lock (Lynn Stephens)
SAP Node	EHA

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
x	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>The Deprivation of Liberty Safeguards (DoLS) require local authorities to carry out a prescribed set of assessments for people in care homes and hospitals who are not able to give consent to their care or treatment arrangements. Most often these are people who have dementia or a learning disability. The assessments require two assessors to consider different aspects of the person's situation, one being a doctor with mental health training, the other being a Best Interests Assessor (BIA), usually a social worker.</p> <p>Following a 2014 judgement in the Supreme Court (known as 'Cheshire West') the numbers of referrals for this type of assessment increased massively. (In Somerset from 100 in 2013/14 to 1200 in 2014/15 and 2400 in 2015/16) Local authority resources for this work have not been able to keep up with this increase. SCC, in common with many other local authorities has chosen to use independent BIAs to add to its own staffing capacity. Even with this kind of approach, most local authorities including Somerset are only able to carry out a proportion of the overall assessments in a limited number of cases. The Somerset DoLS team receive 40-50 referrals each week and has been able to allocate about 15 referrals for assessment. We therefore have a system for identifying the highest priority cases.</p>	

This proposal sets out to reduce reliance upon external independent Best Interest Assessors (BIAs) and ensure maximum effectiveness of our in-house assessors. SCC currently has a team of 6.4 whole time equivalents in house Best Interest Assessors but have used Independent Assessors to assist in managing demand. The service believes that it is possible to reconsider which assessments, we choose to prioritise, and this can reduce the need for assessment further. As we know the national picture is one of Council's being unable to fulfil demand for Deprivation of Liberty assessments following the change to practice after the Cheshire West judgement in 2014.

The estimated assessment totals in 2018/19 is expected to be 646 assessments and 290 of these would be undertaken by Independent assessors.

Assuming similar activity in 2019/20 through redesigning further the approach to prioritisation and assessments a £50,000 saving can be achieved through a reduction of 115 assessments by Independent Assessors from 290 to 175.

Our in-house assessors will constantly see to improve further effectiveness however with a robust reconsideration and risk management of applications we hope to reduce the activity required.

#### **2a. Confidence level**

100%

Reducing use of Independent BIAs is fully within Somerset County Council's control so confidence to achieve this is 100%.

The only factor that could impact upon reduction is if there is an unprecedented number of applications for people who are in the position to legally challenge the Council in relation to having an unlawful deprivation and Council unable to allocate in house resources to cover this eventuality. However, this is a significantly unlikely eventuality.

#### **3. Impact on residents, businesses and other organisations:**

Possible impact on those requiring assessments due to a reduction in capacity to complete Best Interest assessment demand through an amended prioritisation process in allocation of resources.

This could also mean assessments could take longer to be allocated although team would try to ensure those with highest risk are afforded priority. Those with an obvious element of objection would be prioritised to reduce risk of unlawful deprivation.

Impact on care providers that referrals made for their residents who are potentially being deprived of their liberty will not be acted on, therefore the providers will be unlawfully depriving some residents of their liberty. However, this is the current situation in many cases that are not prioritised.



**4. Impact on other services?**

Potential impact on Legal services with risk of additional challenges to unauthorised deprivation of liberties particularly in cases where families and individuals are unhappy about the arrangements made for them.

**5. Impact on staff:**

No risk to substantive Council posts.

Current in-house best interest assessors have work load audited to ensure they are working to full capacity consistent with current workloads due to reprioritisation of assessments.

**6. Resources and support needed to make the change:**

No additional resource requirement.

**7. Timescale to deliver and major milestones:**

**To include date of implementation, key decision points and governance meetings**

To be implemented at April 2019.

Revised prioritisation guidance to be developed by 2<sup>nd</sup> January 2019.

**8. Risks and opportunities:**

Increased risk of unlawful deprivations of liberty occurring as we further streamline the prioritisation process, this has legal costliness and insurance implications. However, the Council along with most councils nationally are currently working with this risk and has been since 2014. The unmanageability of the current system has been widely recognised nationally and new procedures are being planned for launch in 2019.

Mitigation is that DoLS service is only able to partially fulfil its statutory obligation with over 2000 outstanding DoLS applications, so we are currently managing this risk.

Risk of reducing our use of Independent BIAs is that if we provide them with insufficient assessment work they will find working for Somerset will no longer be financially viable for them and they may choose not to undertake any assessments for us. They are under no contractual obligation to Somerset County Council. Therefore, there is a potential risk of a more significant reduction in activity than we have anticipated.

**9. Dependencies:**

No dependencies

**10. Initial Equality Impact Assessment:**

Following conversations with the Corporate Equalities Manager it was agreed that an Equalities Impact Assessment was not required.

**11. Consultation and Communications plan:**

Following conversations with the Consultation Manager it was agreed that a Consultation process was not required.

**12. Legal Implications:**

The only factor that could impact upon reduction is if there is an unprecedented number of applications for people who are in the position to legally challenge the Council in relation to having an unlawful deprivation and Council unable to allocate in house resources to cover this eventuality. However, this is a significantly unlikely eventuality.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)? Yes

If no, when is the evidence expected? N/A

Please note: these figures should be cumulative

£s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£50,000	£	-£	£50,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£50,000</b>	<b>£</b>	<b>-£</b>	<b>£50,000</b>	Ongoing

**13b. One-off project costs and income (not included in above):**

£s		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

**Appendix E3 –  
Children’s Services  
Proposals for  
Change –  
For decision for 2019  
– 2022**

## Proposal for Change:

### Chil1920-01 Support for School Improvement

Corporate Plan Priority:	
Service Area:	Education
Director:	Julian Wooster
Strategic Manager	Dave Farrow
SAP Node	

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
x	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p>To use the School Improvement Monitoring and Brokering Grant (SIM&amp;B) to fund the salaries of the Primary School Improvement Advisers currently funded by the Local Authority (LA).</p> <p>The salary costs are £287,400. This value includes £67,000 savings identified as part Peopletoo's financial improvement plan that are included within a separate proforma, therefore net saving of £220,400.</p>

2a. Confidence level
<p>Salary costs of Primary School Improvement Team - 100%</p> <p>This transfers the salary costs of the Primary School Improvement Team from an LA budget to a grant received from the Department for Education (DfE).</p> <p>Should the grant cease these costs will need to be re-stated against an LA budget.</p>

**3. Impact on residents, businesses and other organisations:**

None

**4. Impact on other services we provide:**

None

**5. Impact on staff:**

N/A

**6. Resources and support needed to make the change:**

Finance support required to ensure grant is allocated appropriately.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
Grant allocated		1 April 2019

**8. Risks and opportunities:**

The DfE may cease the SIB&M grant in the future, however this would presumably be aligned to a change in LA responsibilities and therefore a cost reduction would also be expected.

**9. Dependencies:**

The grant is calculated annually based on the number of maintained schools in the LA at that time and there is no guarantee that the grant will continue indefinitely. If it ceases and the LA still has maintained schools and the existing statutory responsibilities related to those schools, the LA will need to ensure that funding is available to deliver those responsibilities.

**10. Initial Equality Impact Assessment:**

N/A

**11. Consultation and Communications plan:**

No

**12. Legal Implications:**

No legal implications – the terms of the Grant allow for staffing costs to be covered from it.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?					
Please note: these figures should be cumulative					
£s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£220,400	£	-£	£220,400	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£220,400</b>	<b>£</b>	<b>-£</b>	<b>£220,400</b>	

<b>13b. One-off project costs and income (not included in above):</b>		
£s		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

## Proposal for Change:

### Chil1920-02 Reduction in Early Years Capital Programme Support

Corporate Plan Priority:	
Service Area:	Schools and Early Years Commissioning
Director:	Julian Wooster
Strategic Manager	Dave Farrow
SAP Node	

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
Reduction in staffing capacity supporting Early Years (EY) capital programmes as a result of reduced capital programme for 2019/20 and potential cessation of capital grants to private providers.	
This reduction is linked to CAF12 Restructure of Early Years Teams developed as part of Medium Term Financial Plan (MTFP) proposals taken to Cabinet in September 2018.	

2a. Confidence level	
100%	£27,200 is 100% of costs but saving depends on level of reduction. £13,600 therefore added as a prudent figure

**3. Impact on residents, businesses and other organisations:**

By ceasing the Early Years Capital Programme there is a risk that there will be some areas of the county that will not have a sufficient number of early years places. This in turn may mean that some parents may not be able to work as childcare may not be available. We will work with private provider organisations to inform them of our needs, so they can develop provision in shortage areas. We will also continue to promote childminding as an opportunity for individuals to set up their own business.

**4. Impact on other services we provide:**

N/A

**5. Impact on staff:**

Proposals would be achieved through review of the staffing structure.

**6. Resources and support needed to make the change:**

HR support will be required to manage any redundancy process

**7. Timescale to deliver and major milestones:**

Milestone	Date
Where there are shortages of places will seek to increase numbers of childminders, this will form part of an annual review of supply against demand across the county.	31 <sup>st</sup> March 2019
The corporate timescale in relation to staff consultation highlighted will be followed.	

**8. Risks and opportunities:**

There is a risk that SCC may be challenged in relation to not meeting its duty in relation to ensuring an appropriate supply of early years places in an area. There has been no such challenge to date in areas where demand exceeds supply.

There are opportunities for us to work with larger childcare organisations for them to deliver places where they are needed and we will also continue to encourage individuals to become childminders in areas where there is a shortage of places.

Where there are shortages of places will seek to increase numbers of childminders.

**9. Dependencies:**

Dependency on decision in relation to the ceasing of Early Years Capital Programme



**10. Initial Equality Impact Assessment:**

Consideration has been given to the public-sector equality duty and a separate Equalities Impact Assessment has been completed to support this proposal.

**11. Consultation and Communications plan:**

Staff consultation is required.

There will be no public consultation undertaken as part of this proposal.

**12. Legal Implications:**

There is potentially a reduction in service provision (childcare places) therefore statutory duties to ensure an appropriate supply of early years places (under the Childcare Act 2016 and 2006) apply and relevant government guidance will be considered before any reduction occurs. It should be noted that statutory duties will become harder to meet if we are not able to develop provision through capital investment.

In developing this proposal, officers have adhered to statutory guidance on Early Education and Childcare and are satisfied that SCC will continue to be able to ensure sufficiency taking into account the seven factors mentioned in paragraph B1 of the guidance, in particular i) the state of the market and ii) the quality and capacity of childcare providers and childminders in the county.

Consideration has also been given to the public sector equality duty (especially in relation to SEND and vulnerable children).

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes
If no, when is the evidence expected?	[Enter date]

Please note: these figures should be cumulative

£s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£13,600	£	-£	£13,600	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£13,600</b>	<b>£</b>	<b>-£</b>	<b>£13,600</b>	

**13b. One-off project costs and income (not included in above):**

£s		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£

	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
	TOTAL	£

# Somerset Equality Impact Assessment

<b>Organisation prepared for</b>	Somerset County Council		
<b>Version</b>	V1.0	<b>Date Completed</b>	
<b>Description of what is being impact assessed</b>			
<p><b>Ceasing of Early Years Capital Programme for 2019/20.</b>                  This impact is being assessed as part of reduction in staffing capacity supporting Early Years (EY) capital programmes as a result of reduced capital programme for 2019/20 and potential cessation of capital grants to private provider.                  The Capital programme supported the delivery of universal early years and childcare places and was not specifically focussed on any protected groups.</p>			
<b>Evidence</b>			
<b>What data/information have you used to assess how this policy/service might impact on protected groups?</b>			
<p>SCC holds details of numbers of children entitled to Early Years funding.</p>			
<b>Who have you consulted with to assess possible impact on protected groups?</b>			
<p>The Capital programme supported the delivery of universal early years and childcare places and was not specifically focussed on any protected groups. The Early Years Capital programme has been ongoing for a number of years but has been reduced significantly over the past few years.</p>			

Analysis of impact on protected groups				
Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	There is a possible indirect impact on children aged 0-5 years and their families in that the Local Authority may not be able to ensure that there are enough childcare places in some areas of the County.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disability	There is a possible indirect impact on children aged 0-5 years that have a disability and their families in that the Local Authority may not be able to ensure that there are enough childcare places in some areas of the County. This may for example result in private providers not taking the necessary steps to make reasonable adjustments to settings to support disabled children to attend early years settings.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	• There are no impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage and civil partnership	• There are no impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	• There are no impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race and ethnicity	There are potential cost implications as increasing demand for childcare places exceed supply leading to providers increasing costs which could potentially adversely affecting those from BME who are more likely on a lower income.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Religion or belief	• •There are no impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<b>Sex</b>	<ul style="list-style-type: none"> <li>There are potential cost implications for working single parent families, and the likelihood that this is more likely to affect women as they are more likely to be the primary care provider.</li> </ul>	☒	☐	☐
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>There are no impacts</li> </ul>	☐	☒	☐
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<p>There may be an indirect negative impact on low income families as increasing demand for childcare places exceeds supply leading to providers increasing costs, this could result in those on low incomes not being able to access the childcare places to enable them to work.</p> <p>There could potentially be an impact on those affected by rurality where there may be insufficient strength in the childcare market to generate additional space where required without funding from the local authority.</p>	☒	☐	☐

Negative outcomes action plan				
Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
The LA will monitor the requirements for early years places across the County to identify potential areas of shortfall in sufficiency and inform private provider organisations to seek expressions of interest in developing provision in those areas	31/10/2018	Alison Jeffrey	Through ongoing performance management arrangement and the annual reviews of the Early Years	☐

			and Schools Infrastructure Growth Plan	
The LA will ensure that where it is identified that new building developments will result in the requirement for additional early years provision in an area we will seek to ensure that appropriate Section 106/Community Infrastructure Levy funding is secured to enable the development of the necessary provision	31/10/2018	Alison Jeffrey	Through ongoing performance management arrangements	<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
We cannot totally remove the impact that the implementation of this proposal will have on employees but the actions will ensure employees are aware of the support and options available to them.				
<b>Completed by:</b>	<b>Dave Farrow</b>			
<b>Date</b>	<b>21/11/2018</b>			
<b>Signed off by:</b>	<b>Dave Farrow</b>			
<b>Date</b>	<b>21/11/2018</b>			
<b>Equality Lead/Manager sign off date:</b>	<b>Tom Rutland 04/12</b>			
<b>To be reviewed by: (officer name)</b>				
<b>Review date:</b>				

## Proposal for Change: Chil1920-03 CSC realignment savings

Corporate Plan Priority:	
Service Area:	Children's Services
Director:	Julian Wooster
Strategic Manager	Paul Shallcross
SAP Node	

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
The proposal aims to re-align social work services within the county around an East / West split, with the aim of improving the quality of practice, supporting the journey to a 'Good' Ofsted rating and realising year on year savings in the region of 500k.

2a. Confidence level
90%
A significant proportion of the savings stem from deleting posts which are not currently recruited to. The remainder of the proposed savings have been thoroughly scrutinised by the Children's Social Care Senior Management Team and are felt to be robust and achievable with no impact on service provision.

3. Impact on residents, businesses and other organisations:
The proposal is aimed to improve the efficiency of the provision of Social Work services and as such will benefit the users of these services. Bringing the East and West of the county under the management of one Strategic Manager will improve the flow of work between community and Children Looked After (CLA) services and will support relationship-based practice with children and families.
Multi-agency partners within Somerset will not be negatively impacted by the proposed changes

**4. Impact on other services we provide:**

None identified.

**5. Impact on staff:**

A number of posts will be deleted from the service and as such this will impact on a number of staff members.

Within the total number of posts lost, 5 are not currently filled

*The number of FTE that might be lost is:*   
*The number of posts that might be lost is:*

**6. Resources and support needed to make the change:**

Support will be needed from HR and finance in implementing the proposal and managing consultation processes.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
	New structure to be in place by	01/04/2019

**8. Risks and opportunities:**

Risks – uncertainty around the proposal may cause short term anxiety and worry amongst the existing management group. This may result in managers leaving the organisation.

Deletion of the Next Steps Team Manager post may impact on the capacity of the organisation to recruit to Newly Qualified Social Workers (NQSW) posts in the future. This is mitigated by an increase in the number of Consultant Social Worker (CSWs) for NQSWs

Opportunities – the re-aligned structure will support more effective and efficient working across areas and reduce ‘silo’ working. The new structure will also support future work which will look to reduce the number of transitions for children and families within the system, supporting the development of relationship-based practice.

**9. Dependencies:**

None identified.

**10. Initial Equality Impact Assessment:**

No – as the proposal does not affect service delivery, an equality impact assessment is not required.



**11. Consultation and Communications plan:**

Yes – a 45-day staff consultation is planned to take place prior to the end of December 2018.

Communications will take place via the usual internal channels and via 1:1 meetings with affected staff.

**12. Legal Implications:**

In developing this proposal officers are satisfied that the effect of this proposal will not cause the Local Authority (LA) to fail to meet its statutory duties to ensure and promote children's safety and welfare. Any legal implications of proposed staffing changes will be identified and addressed within the HR business case.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)? Yes - salaries

If no, when is the evidence expected?

Please note: these figures should be cumulative

£s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£573,400	£	-£	£573,400	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£573,400</b>	<b>£</b>	<b>-£</b>	<b>£573,400</b>	

**13b. One-off project costs and income (not included in above):**

£s		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

## Proposal for Change: Chil1920-04 Children's Staffing Vacancies

Corporate Plan Priority:	
Service Area:	Children's Services
Director:	Julian Wooster
Assistant Director	Claire Winter
SAP Node	

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>The proposal is for a one year saving (2019/20) of £775,300 in social work staffing costs.</p> <p>Recruitment of permanent social workers remains a challenge with 47 vacancies across Children's Social Care currently. A number of posts have been vacant with neither permanent or locum staff filling them for over 12 months. This proposal equates to not recruiting to a number of these vacant posts.</p>	

2a. Confidence level	
	<p>90%</p> <p>Case numbers continue to reduce slowly, and further partnership work may reduce this further.</p> <p>There is a risk that case numbers will increase unexpectedly. Were this to occur it is likely that locum social workers would need to be recruited at higher cost for a period while longer term trends and impacts are assessed.</p>

**3. Impact on residents, businesses and other organisations:**

Communities and partners can be empowered to support families at an early stage reducing the need for specialist social work services. This is current practice but is slow to develop effectively with some partners struggling to understand their early help role.

**4. Impact on other services we provide:**

No.

**5. Impact on staff:**

No staff impact as these are vacant posts and the proposal is for a one year saving only.

**6. Resources and support needed to make the change:**

None

**7. Timescale to deliver and major milestones:**

	Milestone	Date
No milestones as plan is to reduce budget for one year – full year effect - from vacant posts		

**8. Risks and opportunities:**

Risks – that social work referrals increase unexpectedly, and current FTE cannot cope with demand, leaving children potentially at risk.

Opportunities – to work with partners and communities to enable them to identify concerns early and address them locally.

**9. Dependencies:****10. Initial Equality Impact Assessment:**

No

**11. Consultation and Communications plan:**

No.

**12. Legal Implications:**

In developing this proposal officers are satisfied that the effect of this proposal will not cause the Local Authority (LA) to fail to meet its statutory duties to ensure and promote children's safety and welfare.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?	
---------------------------------------	--

Please note: these figures should be cumulative

£s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£775,300	£	-£	£775,300	One-off
2020/21	-£775,300	£	-£	-£775,300	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£775,300</b>	<b>£</b>	<b>-£</b>	<b>£775,300</b>	

<b>13b. One-off project costs and income (not included in above):</b>		
<b>£s</b>		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

## Proposal for Change: Chil1920-05 Early Years Entitlements

Corporate Plan Priority:	Chil1920-05
Service Area:	Inclusion Group
Director:	Annette Perrington
Strategic Manager	Phil Curd
SAP Node	

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>The proposed change is in relation to the processing of payments of the Early Years entitlement and funding for 2 years olds including the extended entitlement paid to early years providers. The saving will come from the reduction of a single post.</p> <p>Currently, the Admissions and Entitlements Team process estimates (paying 90% of each claim) to early years providers followed by actual forms which pay the remainder and adjustments which capture any changes (starters and leavers) for early years providers. The adjustments process is non-statutory and many other Local Authorities (LA) do not operate the opportunity for adjustments. The payment process as outlined runs for 3 funding periods in a year. The LA is paid based on the Early Years census in January so is not funded for children accessing the entitlement post census.</p> <p>Adjustments are paid in arrears therefore to cease this support by the end of March 2019 Early Years settings would need to be notified of the change by Christmas.</p> <p>Recognising that removing this will provide a challenge to providers it is proposed that a request is taken to Schools Forum Early Years subgroup in January 2019 seeking funding to support a post at the cost of approximately £20,000 from April</p>	

2019-March 2020 to limit disruption to Early Years settings from the ceasing of this activity. It is expected that School Forum will support this request.

Assuming School forum agree to fund this post until March 2020 the proposal would subsequently remove the post from 1<sup>st</sup> April 2020 therefore, making it an ongoing saving.

The saving, to include salary and on costs is approximately is £20,000.

Other advantages include:

- The settings should get a higher hourly rate as we will not be paying for hours the LA has not been paid for;
- Statistical information will be available by the time the term finishes rather than currently when the earliest it is available is the following half term; this will aid finance colleagues;
- We will not have the high volume of data issues that Core Data/Entitlements/Application Support need to resolve because claims are being submitted after a child has left the setting. This would save the LA time and data on Capita will be more accurate;
- It will save Core Data time as they will not have to clear suspense from the Adjustments;
- Entitlements team can request claim information earlier which means they should be able to complete Early Years census by the deadline without having to work the significant number of additional hours they do currently for census.

#### **2a. Confidence level**

75%

Confidence level reduced due to reliance on School Forum. If School Forum reject this proposal the removal of the post will take place from July 2019.

#### **3. Impact on residents, businesses and other organisations:**

Disadvantages for Early Years providers and parents from removing this post immediately are outlined below;

1. By funding this role for 12 months Schools Forum will be able to support SCC in minimising the disruption from these changes
2. It would remove the flexibility that allows parents to move settings part way through a term;
3. Funded 2 years who are awarded funding part way through the term will probably have to wait to access a space until the start of the following term;
4. If settings don't send in the appropriate documentation with their claim/claim appropriately/complete a 30 hours check, there will be no opportunity for them to claim later using an adjustment form therefore they will not be paid. This has the potential for more complaints and could potentially lead to sustainability issues/closures of settings. However, it is settings responsibility to comply with the requirements of Provider agreement and they are sent clear instructions by the team in advance so there should be no reason for settings to lose money;
5. When children overclaim at multiple settings neither provider will be able to amend their claim (on the summer actual claim, there were nearly 200 children

that overclaimed their hours); there is no action that can be taken to mitigate against this.

- Settings will need support to amend their policies to reflect the change. The Entitlements and Early Years Team will continue to support settings as capacity allows.

**4. Impact on other services we provide:**

As above. Once the post is permanently removed in April 2020 there will be a reduction in work for the Core Data Team.

**5. Impact on staff:**

Proposals would be achieved through review of the staffing structure.

**6. Resources and support needed to make the change:**

It is likely that support will be required from HR around any staffing changes required.

**7. Timescale to deliver and major milestones**

	Milestone	Date
	Inform Early Year settings	By end of Autumn Term 2018 or by March 2019
	Schools Forum Decision to fund role for 1 year	16 January 2019

**8. Risks and opportunities:**

The risks for 1 & 2: The Local Authority has a statutory duty to secure a free place offering 570 hours a year over no fewer than 38 weeks of the year for all 3 & 4 year olds, including new starters and eligible 2 year olds. Families of eligible 2 year olds are the most economically disadvantaged in Somerset.

Recognising this the proposal is for Early Years sub group to extend the processing of adjustments for another financial year by agreeing to fund a post from their current DSG surplus

**9. Dependencies:**

No dependencies

**10. Initial Equality Impact Assessment:**

Agreement with the Corporate Equalities Manager that an Equalities Impact Assessment is not required.

**11. Consultation and Communications plan:**

There is no legal requirement to consult with Early Year providers however the team will communicate the change as soon as possible, providing advice and guidance immediately and on an ongoing basis.

Assuming the Early Year subgroup agrees to fund the post for another year, it will give the team chance to review processes properly and prepare settings for the change which could include organised events.

## 12. Legal Implications:

Under the Childcare Act (2006), SCC has a duty to secure sufficient childcare places for working parents (s6) and to secure early years provision free of charge (s7). The potential impact on SCC's ability to meet this duty must therefore be considered.

The statutory guidance states that SCC **should** ensure that providers are treated in an equitable way and that the proper use of funding does not place undue administrative burdens on them. SCC **should** be mindful of the concerns of smaller providers (re. their cashflow) when making decisions about payment methods. SCC **should** regularly review how they pay providers to ensure that it continues to meet the needs of all providers in their area. **As far as reasonably practicable**, SCC **should** ensure that eligible children who move into the area are able to take up their place at any time. SCC are not required to secure additional free hours (extended entitlement) where the parent has applied after the set deadlines.

SCC **must** be clear with providers on their policy in relation to how a child will be funded if they take up their place outside of any regular headcount or if they choose to change providers during the term. SCC **should** encourage providers to work together in this regard. Consideration should therefore be given to these requirements when amending the Provider Agreement and steps must be taken to ensure that the changes are clearly communicated.

The Provider Agreement will need to be amended in line with the above. The Agreement cannot be amended unilaterally (unless to reflect legislative changes). Any changes will therefore need to be made to the 2019-2020 Agreement before any Providers sign up for the 2019-2020 entitlement.

## 13a. Financial Savings – net change to service budget in each year:

Are the savings evidenced based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£20,000	£	-£	£20,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£20,000</b>	<b>£</b>	<b>-£</b>	<b>£20,000</b>	<b>Ongoing</b>

## 13b. One-off project costs and income (not included in above):

£s		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£



	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
	TOTAL	£

## Proposal for Change:

### Chil1920-06 Reduce the cost of providing transport to specialist provision

Corporate Plan Priority:	Childrens 1920 – 06 (CAF 10b)
Service Area:	Inclusion – School Transport
Director:	Julian Wooster
Strategic Manager	Annette Perrington
SAP Node	

1. The proposal is to:	
√	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
√	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
√	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
√	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p>Building on the 18/19 proposal (CAF 10a) this proposal coordinates the activity which links the strategic Capital investment programme to children and young people attending their nearest appropriate specialist resource base, school / college. Children and young people attending specialist resource base or special school provision all have an education, Health and Care plan (EHCP)</p> <p>The Children and Families Act 2014 requires the Local Authority (LA) to consider any school provision requested by parents. This is known as parental preference. The Local Authority will also consider the nearest appropriate provision. Final decisions are determined on individual circumstances which take into account the appropriateness of the school / setting to meet the child's SEND (Special Educational Needs and Disabilities) needs and the most efficient use of resources. The final decisions must be named in the EHCP and once named this is legally binding upon both the LA and School setting. Before a school can be named the LA must consult with a school and consider any responses. The LA can in most cases overrule the school / setting where they are in receipt of state funding. The LA can also disagree with the parent and name a school/ setting of LA choice, however this could be subject to further challenge via Tribunal, which in turn could</p>

have further financial implications on the High Needs and Local Authority travel budgets. In order to ensure efficient use of resources case workers should take into account travel time, distance and cost. Children and young people have an annual review of their Education, health and Care plan. This will also apply to all new EHCP's.

Key stage transfers occur nationally at the end of Year 6, end of Year 11. These transitions should be undertaken in the year proceeding transfer to support effective and successful transfer to a new school with parents/ carers and young people at the point of their annual review. Such points of transition provide an opportunity for existing school placements and travel arrangements to be reviewed and for savings to be made where previous school placements may not be the nearest appropriate.

In line with National trend the demand for places in specialist provision continues to increase. This is exacerbated by the Children and Families Act 2014, which increased the age up to which young people with SEND may have an EHCP to 25. Children and young people can also attend local mainstream schools and colleges, where children and young people are over statutory walking distances where a school has been named in their EHCP this also requires consideration of travel eligibility and the same criteria as above apply.

Children and Young People who need specialist provision often must travel to receive this, and where this isn't available or of a good quality parents will often request specialist independent provision. To offset demand a large capital investment programme has been implemented in Somerset since 2016 to make sure that children and young people are placed as close to home as possible. Work is underway to mitigate this increase by ensuring there is sufficient capacity to meet needs locally and ensuring information, advice and guidance and SEND casework is robust and effectively manages parental expectation from an early stage. In addition to this, Somerset County Council has adopted the use of (personal Travel Payments (PTPs)). These are offered to all parents of children that would otherwise have to be transported individually in a taxi.

Additional risks include market variances and whilst we are making best use of internal fleets but remain vulnerable to the commercial market, where costs have risen sharply in recent years. Under this proposal we intend to limit our call on the market for the number of individual journeys we require. This can be supported by placing children in their nearest appropriate provision, so they can be transported in groups.

This is a statutory duty and must be fulfilled. The policy has been revised to reduce the offer to a statutory minimum.

Key aspects of the proposal to achieve the identified saving are as follows. Improvements in practice will lead to outcomes 1 and 2 below, and the increase in capacity will lead to SEND placements being made more locally with a corresponding reduction in costs:

1. Cost avoidance through SEND Placements – moving 25% of the cohort of children identified as relevant for this proposal to schools closer to their homes address.
2. Improvement in case work through challenge provided at panels.
3. Developing capacity in special schools from September 2019 resulting in 25 new starts.

#### **2a. Confidence level**

75%

Each case must be considered on individual circumstances and in conjunction with the young person and parent/ carers. In some circumstances such a change may be difficult to achieve. Risks include parental resistance and challenge, delayed building programmes and impact upon multiple travel opportunities.

#### **3. Impact on residents, businesses and other organisations:**

This would impact on children and parent/carers where they are not attending their nearest appropriate school and where transition is required. However, as the service user has the option to decline a change then there is no impact unless the local authority disagrees, which carries the additional risk of appeal.

#### **4. Impact on other services we provide:**

This change is an improvement on current working practices only.

#### **5. Impact on staff:**

N/A

#### **6. Resources and support needed to make the change:**

This work will require coordination between the SEND Casework Team and officers in Transporting Somerset. This change to existing working practices has begun but requires continued monitoring and nurturing to ensure these relationships are robust and effective.

#### **7. Timescale to deliver and major milestones:**

Identify all children that could be moved to provision closer to home	Already undertaken
Identify the next suitable transition point for those children	Ongoing
Commence relocation conversations during the next available appropriate annual review	Ongoing
Move children to the nearest appropriate provision	Ongoing

**8. Risks and opportunities:**

There is a risk of reputational damage to the LA and additional challenge where children and young people and / or their parents differ in their views of the most appropriate specialist provision.

Where such challenges proceed to the possibility of a tribunal, the LA will have to consider further each case as determined by case law precedence.

**9. Dependencies:**

This proposal is dependent upon Ofsted inspections of special schools, where any special school which moves into a category is likely to impact upon parental confidence for their child to attend

**10. Initial Equality Impact Assessment:**

All children identified will be considered to have a disability under the 2010 Equality Act. Some parents may also have disabilities under the Equality Act and should have reasonable adjustments considered as part of individual circumstances.

**11. Consultation and Communications plan:**

All conversations would be undertaken on a case by case basis. There is no need for any public consultation exercise.

**12. Legal Implications:**

Any SEND Casework activity will have to be undertaken in accordance with the relevant Code of Practice. The risk relating to tribunal have been outlined in sections 2a and 8.

**13a. Financial Implications – net change to service budget in each year:**

Are the savings evidenced based?				Yes	
If no, when is evidence expected?					
Please note: these figures should be cumulative (as per the approach for MTFP and savings)					
£s	Savings	Income	Growth/Costs	Total	Ongoing or One-off?
2019/20	£98,325	£	-£	£98,325	ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
Total	£98,325	£	-£	£98,325	

**13b. One off project costs and income (not included in above):**

£s		
2018/19	Capital Costs	-£
	Capital Receipts	£

	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<i>2019/20</i>	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<i>2020/21</i>	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
	TOTAL	£

Appendix E4a -  
Corporate Services  
Proposals for  
Change -  
Requiring  
Consultation for  
2019 - 2022

## Proposal for Change:

### CORP1920-07 Restructure of HR Admin and Payroll Service

Corporate Plan Priority:	Corp1920-07
Service Area:	HR Services
Director:	Chris Squire
Strategic Manager	Rachel Ellins
SAP Node	EIHA

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
X	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
Proposed savings of £95,000 in 2019/20 and a further £9,200 in 2020/21 through a restructure of HR Admin and Payroll Services to reflect the service needs due to a changing customer base, mainly due to Academy Schools and the implementation of electronic processes which have brought efficiencies.	

2a. Confidence level	
100%	We have already seen a reduction in staff numbers from the processes already implemented and are confident that the ongoing work will achieve the further savings.



**3. Impact on residents, businesses and other organisations:**

N/A

**4. Impact on other services we provide:**

HR support required as some employees may end up with salary protection or redundancy, although it is thought most of the latter can be managed by voluntary redundancy.

**5. Impact on staff:**

It is anticipated that there will be a small reduction in staff numbers. This will be achieved via removal of vacant positions, voluntary redundancies and consideration of flexible working requests where possible. A restructure exercise will be required.

There will be some additional changes, due to revised Job Assignments, that may result in protection for some employees and some opportunities for others to increase their grade. There are also some changes of hours that will result in savings overall.

A change in the way Job Evaluation (JE) is managed may release additional savings but this is unlikely to be known until sometime in December or possibly the new year.

*The number of FTE that might be lost is: TBC*  
*The number of posts that might be lost is: TBC*

**6. Resources and support needed to make the change:**

HR to support consultation. Kerry Diamond already informed of the need for support.

**7. Timescale to deliver and major milestones:**

Start of staff consultation	November 2018
Other HR activities	December – March 2019
Implementation	April 2019 and July 2019

**8. Risks and opportunities:**

- Negative impact on staff morale/engagement.
- Over estimation of savings that can be realised resulting in detriment to service delivery

**9. Dependencies:**

N/A

**10. Initial Equality Impact Assessment:**

N/A

<b>11. Consultation and Communications plan:</b>
Staff and trade union discussion as part of wider consultation
<b>12. Legal Implications:</b>
N/A

<b>13a. Financial Implications – net change to service budget in each year:</b>					
Are the savings evidenced based?				Yes, options have been costed by Finance but final structure still to be finalised.	
If no, when is evidence expected?					
Please note: these figures should be cumulative (as per the approach for MTFP and savings)					
<i>£'s</i>	<i>Savings</i>	<i>Income</i>	<i>Growth/Costs</i>	<i>Total</i>	<i>Ongoing or One-off?</i>
2019/20	£	£	-£	£95,000	Ongoing
2020/21	£	£	-£	£9,200	Ongoing
<i>Total</i>	£	£	-£	£104,200	Ongoing

<b>13b. One off project costs and income (not included in above):</b>		
<b>£'000's</b>		
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£0</b>

## Proposal for Change: Corp 1920 – 12 Corporate Affairs Restructure

Corporate Plan Priority:	CORP1920-12
Service Area:	ICT and Commercial & Procurement
Director:	Simon Clifford
Strategic Manager	Claire Griffiths/Andy Kennell
SAP Node	EIE / EII

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture ... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>The Commercial and Procurement (C&amp;P) team and the ICT team sit within Corporate Affairs. This paper sets out proposals to restructure these services, merging functions where there are natural alignments within teams, aligning resources to corporate priorities, streamlining management functions and ensuring the structures are fit for future purpose. In addition, the C&amp;P restructure will provide clarity of the team's role, re-orientating resources to have a more commercial focus, where appropriate, removing any legacy elements in the current structure. At the same time the restructure will deliver efficiency savings, reducing both the C&amp;P and ICT departments' baseline budgets.</p> <p>Budget savings can only be secured if further income is generated, staffing costs are apportioned to other budget lines, staff opt to work less hours/take unpaid leave or staff numbers reduce with associated activities declining or stopped. All the above options continue to be explored.</p> <p>Staffing occupies the largest proportion of the C&amp;P department's baseline budget costs and therefore the savings outlined in this paper are derived from a proposed</p>	

restructure. ICT has a 50/50 split between staff and contract costs, throughout 2018/19 savings have been made by reducing vacancies and optimising contract spend, which has avoided any reduction in permanent staff. With the further requirement for savings ICT is now focusing on making efficiencies by merging teams and reducing the management layer.

This will deliver proposed savings of £690,000 between 2019 and 2020.

Both of the above restructures will also link in to the Customers and Communities proposed saving of £500,000 which also identifies as part of the overall Corporate £3,262,900 projected saving for MTFP 2019/20.

## **2a. Confidence level**

85%

A detailed proposed structure for C&P is in place and the detail has been worked through for ICT. However, any proposals are subject to the outcomes of staff consultation.

In addition, due to the potential for collective consultation and subject to an agreed date of commencement of the process, the new structure is likely to be in place late in May, rather than by 1 April 2019 so will not deliver quite a full in-year effect, 10 months as opposed to 12.

## **3. Impact on residents, businesses and other organisations:**

There will be no impact on resident, businesses and or other organisations.

## **4. Impact on other services we provide:**

Reduced resource across the service will impact on service levels, speed of response and ability to respond to major incidents, particularly in the ICT Service.

## **5. Impact on staff:**

The principles of a proposed approach include;

- Rationalisation of management roles across the Directorate
- Alignment of procurement functions to corporate priorities
- Removing legacy structures in C&P and duplication of tasks with operations
- Focus on commercial activities
- Integrating functions within ICT to form two teams - an Operational and Transformation team
- The ICT restructure will introduce standard change delivery (TSR) as part of the Operations function and separate the Transformational shift to align more closely with Customers

As the outcomes of consultation and potential competency-based interviews for ring-fenced roles cannot be determined at this stage, the number of FTE's is not yet quantifiable.

*The number of posts that might be lost is:*

**6. Resources and support needed to make the change:**

As with all restructures the support and advice of HR is essential throughout the process.

**7. Timescale to deliver and major milestones:**

Detailed restructure agreed at Corporate Affairs SLT Monday	19 November 2018
Collective consultation	December 2018 – February 2019
Anticipated end of consultation	Late February 2019
New structure in place	Late May 2019
Full effect of savings from	1st June 2019

**8. Risks and opportunities:**

As with the MTFP2 proposed restructure for C&P and ICT, future workload demand will need to be closely managed with each lead Commissioner to ensure additional commissioning demands against the revised team structure can flex or increase to accommodate and ensure delivery of requirements and reduce service risks.

**Risks**

- Reduced levels of service delivery as a result of the reduction in resources
- Delayed consultation will impact of 19/20 in year savings

**Mitigation**

- Prioritisation of workload focussed on organisation priorities and clearly published commissioning intentions
- Closely managed future workload through workload tracking/plans.

However, this restructure is an opportunity to introduce more efficient ways of working, maximising the opportunity for synergies across the Directorate.

**9. Dependencies:**

The outcome is subject to an internal consultation process with the effected teams and unions. At this formed part of the overall collective consultation of 45 days which started on the 29<sup>th</sup> November.

**10. Initial Equality Impact Assessment:**

Equalities Impact Assessment will be incorporated into the HR Business case.

**11. Consultation and Communications plan:**

A staff and union consultation will be undertaken. This will adhere to the agreed internal process, including staff briefings and 1-2-1's with potentially effected staff.

**12. Legal Implications:**

Legal have identified the need for an EIA to be completed which will form part of the HR Business Case

In regard to ICT need to be aware that the Applications team supports business critical applications that enable statutory functions, this function could be reduced but not stopped.

**13a. Financial Savings – net change to service budget in each year:**

Please note that there is a £220,000 CRF dependency for 2019/20 which will be reviewed annually. However, the overall total (£690,000) will remain ongoing as the 2020/21 shortfall as a result of the £220,000 being a one-off will be mitigated by Phase 2/3 of the restructure.

Are the savings evidenced based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£645,000	£	-£	£645,000	ongoing
2020/21	£45,000	£	-£	£45,000	ongoing
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£690,000</b>	<b>£</b>	<b>-£</b>	<b>£690,000</b>	ongoing

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

**Appendix E4b -  
Corporate Services  
Proposals for  
Change -  
For decision for  
2019 - 2022**

## Proposal for Change: Corp1920-01 Pathway to Employment Budget Reductions

Corporate Plan Priority:	Corp1920-01
Service Area:	Organisational Development, HR/OD
Director:	Chris Squire
Strategic Manager	Clive Mallon (Service Manager)
SAP Node	EIHA

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>The Human Resource/Organisation Development Service (HROD) has a £201,500 annual budget to run the Pathway to Employment Scheme. The scheme, which has been in existence for the past five years, aims to boost the employability of those not in Employment, Education or Training (NEET), vulnerable/disadvantaged young people within Somerset, such as Care Leavers or those with a disability.</p> <p>A number of initiatives fall within the scheme, initiatives include;</p> <ul style="list-style-type: none"> <li>• Work Experience (both at SCC and partner organisations)</li> <li>• Employability and Training weeks</li> <li>• Internships</li> <li>• Paid work or Apprenticeships (both at SCC and partner organisations)</li> <li>• Bespoke employability programmes with partner organisations, such as Skanska and Viridor.</li> <li>• Taster weeks; where individuals can try a number of vocations</li> <li>• Education and training programmes</li> </ul>	



Only one of the above initiatives is negatively impacted by the proposed budget reductions; paid work or apprenticeships within SCC. Traditionally services have acted as hosts to referred young people in short to medium term fixed term contracts and apprenticeships. Approximately eight people per year are supported within this initiative.

This proposal is to greatly reduce the Pathway to Employment scheme budget to £10,000 per year from 20/21. Releasing all bar £60,000 of uncommitted budget in 2019/20 provides an ongoing saving of £65,000. In 2020/21 a further £126,500 can be offered as a saving.

The retention of a small annual budget, of £10,000, from 20/21 allows for certain work (some of the other bullet points listed above) to continue to take place; such as the annual Care Leaver Employability Programme at Pinkery Resource Centre – these are ‘low-cost, high-impact’ programmes, without a budget these couldn’t happen.

HR/OD will take the opportunity to redesign the scheme including alternative funding arrangements to maximise the scope of support that can be offered from 2019/20.

#### **2a. Confidence level**

100 %

Very few people have access to spend against the budget, an immediate stop can be put on spend meaning the saving is guaranteed.

#### **3. Impact on residents, businesses and other organisations:**

There is limited impact. All those currently on paid placements within SCC will be supported to complete their various opportunities. The impact of this budget reduction is that no new referrals can be made for those people that would be deemed as ready for a paid internal opportunity, supported by the scheme. Organisational Development (OD) will need to redesign the scheme and consider alternative funding arrangements to maximise the scope of support that can be offered from 2019/20.

Please note that the people ‘supported’ mentioned above only relates to those that would have had paid employment directly with SCC. Those that are put forward for partners schemes, such as the Skanska Work Experience/Apprentice Programme are not impacted. SCC can still be a viable employer for people from vulnerable/disadvantaged backgrounds, the only difference being is that host services will need to use their own budget to funds roles rather than receiving money from the Pathway to Employment budget.

#### **4. Impact on other services we provide:**

The impacts are minimal; the scheme has paid the salary of individuals in roles which have been used to support corporate meetings/initiatives, such as the

Young People's Champions roles – if these are to continue beyond the current commitments the service will need to fund.

Service areas that have traditionally recruited people from the Pathway to Employment 'pool' are making plans as to how they can continue to recruit without having the financial assistance from the scheme. The service areas are positive that there are alternative arrangements that can be made to have little-to-no impact on future recruitment.

**5. Impact on staff:**

None (all current roles being supported will continue to the end of their contracts).

**6. Resources and support needed to make the change:**

No resources required to support this change.

**7. Timescale to deliver and major milestones:**

Confirmation of the decision being approved	December
Communication to regular supporters of the scheme	December
Communication to those that have ability to spend against the budget (confined to OD)	Immediately following above milestone.

**8. Risks and opportunities:**

Risks are minimal. We have the opportunity to reimagine the scheme and what support it can offer those groups traditionally referred.

**9. Dependencies:**

Not applicable.

**10. Initial Equality Impact Assessment:**

Impact assessment produced and reviewed by Equalities Manager.

**11. Consultation and Communications plan:**

Not required.

**12. Legal Implications:**

Not required.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes
If no, when is the evidence expected?	N/A

Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£65,000	£	-£	£65,000	Ongoing
2020/21	£126,500	£	-£	£126,500	Ongoing
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£191,500</b>	<b>£</b>	<b>-£</b>	<b>£191,500</b>	<b>Ongoing</b>

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

# Somerset Equality Impact Assessment

Before completing this EIA please ensure you have read the EIA guidance notes – available from your Equality Officer

<b>Organisation prepared for</b>	<b>Somerset County Council</b>		
<b>Version</b>	<b>V1</b>	<b>Date Completed</b>	<b>15/11/18</b>

## **Decision within the Proposal for Change to reduce Somerset County Council’s (SCC) Pathway to Employment budget (from £201.5k to £10k by 20/21) - Corp1920-01**

Human Resources and Organisational Development (HR/OD) has a £201.5k annual budget to run the Pathway to Employment Scheme. The scheme, which has been in existence for the past five years, aims to boost the employability of NEET (Not in Employment, Education or Training) vulnerable/disadvantaged young people (generally between the ages of 16-24) within Somerset, such as Care Leavers or those with a disability. A number of initiatives fall within the scheme, initiatives include;

- Work Experience (both at SCC and partner organisations)
- Employability and Training weeks
- Internships
- Paid work or Apprenticeships (both at SCC and partner organisations)
- Bespoke employability programmes with partner organisations, such as Skanska and Viridor.
- ‘Taster’ weeks, where individuals can try a number of vocations
- Education and training programmes

Only one of the above initiatives is negatively impacted by the proposed budget reductions; paid work or apprenticeships within SCC. Traditionally services have acted as hosts to referred young people in short to medium term fixed term contracts and apprenticeships. Approximately eight people per year are supported within this initiative.

This proposal is to greatly reduce the Pathway to Employment scheme budget to £10k per year by 20/21. Releasing all but £60k of uncommitted budget in 19/20 provides an ongoing saving of £65k. In 20/21 a further £126.5k can be offered as a saving.

All those currently on paid placements within SCC will be supported to complete their various opportunities. The impact of the decision to stagger the reduction of budget will allow for paid placements at SCC to continue in 19/20. During 19/20, consideration will be made as to how, without the budget, opportunities can best be offered.

The other initiatives which fall within the scope of the scheme remain largely unaffected. SCC can still be a viable employer for people from vulnerable/disadvantaged backgrounds, the only difference being is that host services will need to use their own budget to fund roles rather than receiving money from the Pathway to Employment budget.

The retention of a small annual budget allows for certain 'low-cost, high-impact' programmes to continue - without a budget these couldn't happen.

HR/OD will need to redesign the scheme and consider alternative funding arrangements (such as bidding for grant money and the transfer of apprenticeship levy funds to partner organisations) to maximise the scope of support that can be offered from 19/20.

## Evidence

**What data/information have you used to assess how this policy/service might impact on protected groups?** Sources such as the [Office of National Statistics](#), [Somerset Intelligence Partnership](#), [Somerset's Joint Strategic Needs Analysis \(JSNA\)](#), Staff and/ or [area profiles](#), should be detailed here

From the inception of the scheme data has been captured by HR/OD on each individual referred and supported. This data includes key information such as the individual's background, personal data and which initiative they are supported by.

The evidence is clear cut – the majority of the scheme remains exactly the same. The difference is that internal SCC services wanting to host pathway to employment candidates (in paid work) will have to fund the salaries. Work will continue with our partners to expand the scope of their equivalent programmes to continue to maintain, and eventually increase, the number of opportunities available for in-scope individuals.

**Who have you consulted with to assess possible impact on protected groups?** If you have not consulted other people, please explain why?

The proposal was shared with the Strategic Commissioning Group on 15/11/18. The group supported the proposal to reduce the budget.

**Analysis of impact on protected groups**

The Public Sector Equality Duty requires us to eliminate discrimination, advance equality of opportunity and foster good relations with protected groups. Consider how this policy/service will achieve these aims. In the table below, using the evidence outlined above and your own understanding, detail what considerations and potential impacts against each of the three aims of the Public Sector Equality Duty. Based on this information, make an assessment of the likely outcome, before you have implemented any mitigation.

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>The proposed decision will negatively impact more on younger people, this is due to the majority of individuals referred into the scheme being within the 16-24 age bracket.</li> <li>The authority does now have a well-established apprenticeship scheme (while apprenticeships are available for any age group they do tend to attract younger candidates) which a number of these people would be suitable for. Apprentice numbers have swelled at the authority from 20 Nov 2016 to 192 at present. The real number of people impacted per year could therefore be fewer than eight.</li> </ul>	☒	☐	☐
<b>Disability</b>	<ul style="list-style-type: none"> <li>The scheme has historically offered roles to people with disabilities. As above, only those that were interested in internal to SCC (paid) opportunities may be impacted.</li> </ul>	☒	☐	☐

	<ul style="list-style-type: none"> <li>Service areas that have traditionally recruited disabled people from the Pathway to Employment 'pool' are making plans as to how they can continue to recruit without having the financial assistance from the scheme. The service areas are positive that there are alternative arrangements that can be made to have little-to-no impact on future recruitment.</li> </ul>			
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>Whilst this characteristic hasn't been one in which the scheme has previously had referrals on I would consider them as 'in-scope' and therefore are impacted by this decision.</li> </ul>	☐	☒	☐
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>No impact of this group based on this proposal</li> </ul>	☐	☒	☐
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>No impact of this group based on this proposal</li> </ul>	☐	☒	☐
<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>No impact of this group based on this proposal</li> </ul>	☐	☒	☐
<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>No impact of this group based on this proposal</li> </ul>	☐	☒	☐

<b>Sex</b>	<ul style="list-style-type: none"> <li>No impact of this group based on this proposal – there is an even split between males and females accessing initiatives via the Pathway to Employment scheme.</li> </ul>	□	⊗	□
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>No impact of this group based on this proposal</li> </ul>	□	⊗	□
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>Care Leavers make up the bulk of the NEET's supported by the scheme. With service areas being able to offer fewer paid roles (financed by the scheme) there will be some care leavers that cannot be internally supported. Alongside the Leaving Care service OD will work to expand the range of roles offered in partner organisations to offset the internal reduction.</li> </ul>	□	⊗	□

### Negative outcomes action plan

Where you have ascertained that there will potentially be negative outcomes, you are required to mitigate the impact of these. Please detail below the actions that you intend to take.

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
<p>The positive news is that the majority of the initiatives and opportunities are not impacted by the reduction in budget.</p> <p>Between the time of writing and the beginning of the 19/20 financial year there is time to redesign the Pathway to Employment Scheme.</p> <p>The redesign of the scheme will need to look at what opportunities there are to replace the element of the scheme that would otherwise not run without the funding; at</p>	01/04/2019	Clive Mallon		□



<p>this point we can also review those that access the scheme to ensure each of the protected characteristics are positively supported.</p> <p>Action: Review opportunities for grant funding, working with partners to provide alternative yet similar roles and update the Young People Strategy in line with the new scope of the scheme.</p>				
<p><b>If negative impacts remain, please provide an explanation below.</b></p>				
<p><b>Completed by:</b></p>	<p><b>Clive Mallon</b></p>			
<p><b>Date</b></p>	<p><b>12/02/2019</b></p>			
<p><b>Signed off by:</b></p>	<p><b>Chris Squire</b></p>			
<p><b>Date</b></p>	<p><b>12/02/2019</b></p>			
<p><b>Equality Lead/Manager sign off date:</b></p>	<p><b>Tom Rutland</b></p>			
<p><b>To be reviewed by: (officer name)</b></p>	<p><b>Clive Mallon</b></p>			
<p><b>Review date:</b></p>	<p><b>31/03/2019</b></p>			

## Proposal for Change: Corp1920-02 Permanently release current budget for IT Training Manager position

Corporate Plan Priority:	Corp1920-02
Service Area:	Organisational Development, HR/OD
Director:	Chris Squire
Strategic Manager	Clive Mallon (Service Manager)
SAP Node	EIHA

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p>The IT Training Manager post has been 'frozen' since March 2018 and a temporary management arrangement put in place (covered by existing staff within the service).</p> <p>In the interim period a review of the IT Training team structure has taken place and It has been decided to amend the structure to permanently remove the vacant manager post. To offset this, and put long term management support into the team, one of the existing IT Trainer posts will be upgraded to a manager post, which has been evaluated at a lower grade than the previously frozen post due to a new operating structure. As a result, there will be an overall reduction of one post in the team resulting in a saving.</p>

2a. Confidence level
100 % Plans developed and ready to implement.

**3. Impact on residents, businesses and other organisations:**

There is no impact in the removal of this post, plans have been thought through and the interim period without the manager role filled have worked well.

**4. Impact on other services we provide:**

Impacts are initially minimal; consideration to the future of the IT Training Team and how it works to support the organisation is required (the team has halved in size in recent years yet support for IT and Tech increases).

**5. Impact on staff:**

None, post is empty.

*The number of FTE that might be lost is:*

*The number of posts that might be lost is:*

**6. Resources and support needed to make the change:**

No resources required to support this change.

**7. Timescale to deliver and major milestones:**

Removal of post from structure

1<sup>st</sup> April 2019

**8. Risks and opportunities:**

No risks identified.

**9. Dependencies:**

Not applicable.

**10. Initial Equality Impact Assessment:**

Not required.

**11. Consultation and Communications plan:**

Not required.

**12. Legal Implications:**

Not required.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)? Yes

If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£40,700	£	-£	£40,700	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£40,700</b>	<b>£</b>	<b>-£</b>	<b>£40,700</b>	Ongoing

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

## Proposal for Change: CORP1920-03 Vacant HR Advisor Position

Corporate Plan Priority:	Corp1920-03
Service Area:	HR & OD
Director:	Chris Squire
Strategic Manager	Sari Brice
SAP Node	EIHA

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
Permanent removal of 22.20 hour HR Advisor vacancy. Post has been held vacant since resignation of postholder for duration of 2018/19. By removing this post £24,500 will be saved in 2019/20.

2a. Confidence level
100%
There is no current postholder.

3. Impact on residents, businesses and other organisations:
N/A

**4. Impact on other services we provide:**

The removal of this post will impact on the resources available within the HR Advisory team and the level of support that can be provided across the organisation, particularly in relation to the team's ability to provide proactive support to the organisation on employee relations matters. Areas that will be affected and are being reviewed are briefing and training sessions for managers on managing disciplinary, grievances, performance management and sickness absence, frequency of link meetings with Strategic Managers, maintaining and updating HR Policies and procedures.

**5. Impact on staff:**

The number of FTE that might be lost is: 0.6

The number of posts that might be lost is: 1 (vacant)

**6. Resources and support needed to make the change:**

No resources required.

**7. Timescale to deliver and major milestones:**

SAP OM structure updated

1 April 2019

**8. Risks and opportunities:**

Service is currently reviewing HR Officer workloads to accommodate this reduction.

**9. Dependencies:**

No dependencies.

**10. Initial Equality Impact Assessment:**

No.

**11. Consultation and Communications plan:**

Affected staff are already aware of the proposal and work is being undertaken within the Service to minimise the impact on workloads.

**12. Legal Implications:**

N/A.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£24,500	£	-£	£24,500	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£24,500</b>	<b>£</b>	<b>-£</b>	<b>£24,500</b>	<b>Ongoing</b>

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

## Proposal for Change: CORP1920-04 Vacant OD Service Manager post

Corporate Plan Priority:	Corp1920-04
Service Area:	HR Services
Director:	Chris Squire
Strategic Manager	Rachel Ellins
SAP Node	EIHA

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
X	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture ... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p>Permanent removal of vacant position that was given up for part year in 2018/19 and will now be released permanently.</p> <p>This service manager position sits on the HR Organisational Development Team and will result in a saving of £47,700 in 2019/20.</p>

2a. Confidence level
100%
This position can be fully released.

3. Impact on residents, businesses and other organisations:
No impact on residents, business or other organisations.



**4. Impact on other services we provide:**

Tasks of this role have been redistributed within the HR Service and some casual support is currently received from an ex member of staff. If still required in 19/20 this will be funded from other areas.

**5. Impact on staff:**

Removal of 1 vacant position, 0.95 FTE.

*The number of FTE that might be lost is:*

*The number of posts that might be lost is:*

**6. Resources and support needed to make the change:**

No resource required.

**7. Timescale to deliver and major milestones:**

Updated Organisational Management (OM) Structure

1<sup>st</sup> April 2019

**8. Risks and opportunities:**

- Negative impact on staff morale/engagement.
- Inability to deliver services to expectation

**9. Dependencies:**

No dependencies

**10. Initial Equality Impact Assessment:**

Following conversations with the Corporate Equalities Manager it was agreed that an Equalities Impact Assessment was not required.

**11. Consultation and Communications plan:**

N/A

**12. Legal Implications:**

N/A

<b>13a. Financial Implications – net change to service budget in each year:</b>					
Are the savings evidenced based?				Yes, options have been costed by Finance but final structure still to be finalised.	
If no, when is evidence expected?				N/A	
Please note: these figures should be cumulative (as per the approach for MTFP and savings)					
£'s	Savings	Income	Growth/Costs	Total	Ongoing or One-off?
2019/20	£47,700	£	-£	£47,700	Ongoing
2020/21	£0	£	-£	£0	
<b>Total</b>	<b>£47,700</b>	<b>£</b>	<b>-£</b>	<b>£47,700</b>	<b>Ongoing</b>

<b>13b. One off project costs and income (not included in above):</b>		
£s		
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£0</b>

## Proposal for Change: CORP1920-05 Permanent reduction in Learning & Development Training Budget

Corporate Plan Priority:	Corp1920-05
Service Area:	Organisational Development, HR/OD
Director:	Chris Squire
Strategic Manager	Clive Mallon (Service Manager)
SAP Node	EIHB

1. The proposal is to:	
X	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
X	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>In 2018/19 £100,000 of the authority-wide Learning and Development (L&amp;D) budget was offered as an 'in-year' saving to meet HR and Organisational Design (HR/OD) contribution to Medium Term Financial Plan (MTFP). This proposal is to formalise those arrangements and for the budget to be permanently removed from the budget.</p> <p>HR/OD distribute L&amp;D budget annually to Children's and Adults L&amp;D teams, ECI and retain a proportion for corporate training. This proposal would impact on each of those teams. Statutory training is not impacted by the proposed budget reduction.</p>	

**2a. Confidence level**

100 %

Plans developed and ready to implement.

**3. Impact on residents, businesses and other organisations:**

Each of ECI, Adults, Children's and Corporate L&D budgets will be affected. The majority of the saving will come from the Corporate L&D budget with each of the other business area apportionments being reduced to make up the saving.

The value of saving was made in year in 2018/19, this proposal removes the budget on an ongoing basis – whilst challenging it was achievable in 2018/19 with minimal impact therefore it is achievable on a permanent basis. It is worth noting that the value of the authority-wide L&D budget has halved in recent years and will equate to less than £200 per employee from 2019/20, which is incredibly low.

Alongside this proposal work has commenced to centralise L&D across the authority. This plan involves bringing the Children's L&D, Adults L&D and Organisational Development (including IT Training Team) teams together into one L&D function. It is anticipated that better working practices would reduce the required spend on L&D which can be offset against the planned budget reduction.

A detailed investigation on the spend against the L&D budgets is required to further review usage to ensure only true L&D spend is made against the budget; early indications are that there has been spend against the budget for non-L&D activity.

Other areas of development outside of these budgets will be reviewed to be fully made use of; the increase in available qualifications via the apprenticeship levy into 19/20 should further reduce the impact (e.g. SCC current fund years 2 and 3 of Open Uni Social Work Degree courses, this cost should be able to be met by the levy in future years, a 'saving' of £6,000 per student per year is possible).

**4. Impact on other services we provide:**

As above, minimal impacts identified – and no impact on statutory training.

**5. Impact on staff:**

None, although more work is required to review the element provided to the Children's L&D team – currently the budget provided to that team pays for staff salaries and there is an 'agreed overspend' to pay for the L&D initiatives the team arranges. This review is taking place within the rebasing of budgets within Children's Services, led by Finance.

**6. Resources and support needed to make the change:**

No resources required to support this change.

**7. Timescale to deliver and major milestones:**

Post decision sign off, review the spend areas and decide on Business Area L&D apportionments	Dec 2018
Communicate with impacted teams	Jan 2019
New budget values go live	April 2019

**8. Risks and opportunities:**

Other than the risks identified above there are none.

**9. Dependencies:**

The reduction in budget is made easier if the L&D teams amalgamate.

**10. Initial Equality Impact Assessment:**

Discussion on proposals with the equalities lead took place on the 20<sup>th</sup> November 2018 and it was agreed that an impact assessment was not required.

Whilst the budget will reduce the spend level will remain the same as 2018/19 and may in fact increase based on the plans detailed above. The services successfully delivered training to staff without compromising frequency, location etc therefore no staff groups are negatively impacted by this proposal.

**11. Consultation and Communications plan:**

Not required

**12. Legal Implications:**

N/A

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£100,000	£	-£	£100,000	Ongoing

2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£100,000</b>	<b>£</b>	<b>-£</b>	<b>£100,000</b>	<b>Ongoing</b>

<b>13b. One-off project costs and income (not included in above):</b>		
<b>£'000's</b>		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

## Proposal for Change:

### CORP1920-13 ICT Contract and Service Changes

Corporate Plan Priority:	CORP1920-13
Service Area:	Corporate Services
Director:	Simon Clifford
Strategic Manager	Andy Kennell
SAP Node	EII

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>This proposal is aiming to deliver £847,000 in 2019/20, of which £502,000 will be ongoing and £345,000 will be a one-off through;</p> <ul style="list-style-type: none"> <li>• Reducing licence count and support on a number of ICT contracts</li> <li>• Deferring the implementation of enhanced email security for an additional year</li> <li>• Reducing contract costs based on reduction of hosting infrastructure required.</li> </ul>	

2a. Confidence level	
75	%
<p>There are ongoing negotiations and initiatives with some of the contracts associated with this proposal.</p>	

**3. Impact on residents, businesses and other organisations:**

There will be no impact on residents, businesses or other organisations.

**4. Impact on other services we provide:**

There is a small increase in the level of risk of infection and malware attack against the council that may gain access to mailboxes as a result of not implementing enhanced email security. This risk will be mitigated by further user training and communication around best practice use of email and manual monitoring.

**5. Impact on staff:**

None.

**6. Resources and support needed to make the change:**

An estimate of 3 days of ICT effect to migrate to the alternative connectivity and 1-2 days of effort from ICT to remove unlicensed software and install alternative (open source) versions.

**7. Timescale to deliver and major milestones:**

Implement alternative comms to Express route.

By end of 18/19  
financial year

**8. Risks and opportunities:**

There is a small increase in the level of risk of infection and malware attack against the council that may gain access to mailboxes as a result of not implementing advanced email security. This risk will be mitigated by further user training and communication around best practice use of email and manual monitoring.

**9. Dependencies:**

None

**10. Initial Equality Impact Assessment:**

Following agreement from the Corporate Equalities Manager it was agreed that an Equalities Impact Assessment was not required.

**11. Consultation and Communications plan:**

Following agreement with the Consultation Manager it was agreed that there was no need for consultation.

**12. Legal Implications:**



No legal implications. Basic exchange cloud protection (EOLP) meets the minimum requirements for PCI DSS (Payment card guidance) and PSN (Public Sector Network) but fails to meet industry best practice guidelines.

Also note that this proposal is predicated on the basis that the contract(s) permit the proposed course of action, due process will be followed to ensure this happens to remove the risk of legal challenge.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes
If no, when is the evidence expected?	N/A

Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£847,000	£	-£	£847,000	345k one off (review 20/21)
2020/21	£-345,000	£	-£	£-345,000	One off
2021/22					
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£502,000</b>	<b>£</b>	<b>-£</b>	<b>£502,000</b>	

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

## Proposal for Change: CORP1920-14b ICT Resource Income Generation

Corporate Plan Priority:	CORP1920-14b
Service Area:	ICT
Director:	Simon Clifford
Strategic Manager	Andy Kennell
SAP Node	EII

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture ... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>This proposal is aiming to deliver £20,000 of additional one-off income in 19/20 through the following;</p> <ul style="list-style-type: none"> <li>To exploit opportunities to generate income through charging for resource time</li> </ul>	

2a. Confidence level	
<div style="border: 1px solid black; display: inline-block; padding: 2px;">80</div> %	
<p>Based on resource requirements/requests received from Somerset Waste Partnership and neighbouring local authorities we are confident that we can deliver the savings identified.</p>	

**3. Impact on residents, businesses and other organisations:**

There will be no impact on residents, businesses and other organisations.

**4. Impact on other services we provide:**

There will be no negative impacts on any of the other services that we current provide.

**5. Impact on staff:**

Some resource will be asked to work flexibly on temporary assignments.

**6. Resources and support needed to make the change:**

None required.

**7. Timescale to deliver and major milestones:**

Request for resource will be reviewed on a regular basis and will be used as an income opportunity as and when the opportunities arise.

**8. Risks and opportunities:**

None noted.

**9. Dependencies:**

This proposal is heavily dependent on neighbouring local authorities and Somerset Waste Partnership continuing to require resource.

**10. Initial Equality Impact Assessment:**

Following agreement with the Corporate Equalities Manager it was agreed that a Equalities Impact Assessment was not required.

**11. Consultation and Communications plan:**

Following agreement with the Consultation Manager it was agreed that consultation would be not be necessary.

**12. Legal Implications:**

This proposal is covered by the Local Government (Goods and Services) Act 1970 which gives power to supply services between local authorities and other public bodies to utilise surplus capacity and give benefits of scale

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£	£20,000	-£	£20,000	One off
2020/21	£	£-20,000	-£	£-20,000	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£</b>	<b>£20,000</b>	<b>-£</b>	<b>£20,000</b>	<b>One-off</b>

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

## Proposal for Change: Corp1920-17-Additional Contractual Efficiency Savings

Corporate Plan Priority:	CORP1920-17
Service Area:	Commercial and Procurement
Director:	Simon Clifford
Strategic Manager	Claire Griffiths
SAP Node	Tbc for individual Services

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
X	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>Undertake deep dive contract reviews from a commercial perspective, to identify efficiency savings. These may be derived from a range of sources including de-scoping of services, renegotiation of contract terms, enforcement of financial penalties for non-performance, comparison of invoices against works complete to identify discrepancies, comparison of contract payments versus annual contract value, evaluation of contract performance against contract Key Performance Indicators (KPIs).</p> <p>A long list of contract / groupings of contracts has been compiled from an initial assessment of the Top 100 contracts (ranked on annual value). This list includes individual contracts and frameworks and the final work plan will be discussed and agreed with SLT before being rolled out. Opportunities for synergies with specific contracts identified as part of the 2019/20 MTFP will also be identified. Work has already commenced in ICT and has set the approach for all contract deep dives.</p>	

**2a. Confidence level**

80%

Until the contract deep dives commence the actual potential for savings cannot be quantified. However, with work to date in ICT there is a high confidence of achieving £68,000 to date.

<b>Service Activity</b>	<b>Saving</b>
Express Route	£53,000
PSN Connection	£15,000

In addition, there is an 80% confidence on £100,000 of mobile phone savings.

This delivers a total to date of £168,000. The remaining £332,000 target will form part of the pipeline of work.

**3. Impact on residents, businesses and other organisations:**

N/A

**4. Impact on other services we provide:**

Potentially, particularly if services are de-scoped from a specific contract. An evaluation of the impact of this will be undertaken at that time.

**5. Impact on staff:**

No impact on staff

**6. Resources and support needed to make the change:**

Staff responsible for the operational delivery of contracts/frameworks that are the subject of deep dive will be required to give support to C&P officers. If services are descoped, there may also be resource implications. Yet to be determined. Finance, HR and legal are likely to be required, depending on the outcomes of each contract Deep Dive.

**7. Timescale to deliver and major milestones:**

Work to commence November 2018 to achieve savings as far as possible for full financial year but will be an ongoing rolling programme of work

Rolling programme of work

**8. Risks and opportunities:**

To be identified at an individual contract level.

**9. Dependencies:**

To be identified at an individual contract level.

**10. Initial Equality Impact Assessment:**

None

**11. Consultation and Communications plan:**

None at present

**12. Legal Implications:**

As noted above, the opportunity to renegotiate contract terms, to enforce penalties for non-performance and to take action under other contractual provisions will depend in each case on the terms of each contract concerned.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	No
If no, when is the evidence expected?	January 2019 onwards

Please note: these figures should be cumulative

£'000's	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£168,000	£	-£	£168,000	On-going
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£168,000</b>	<b>£</b>	<b>-£</b>	<b>£168,000</b>	<b>ongoing</b>

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

# Proposal for Change:

## Review of Fees and Charges

Corporate Plan Priority:	Corp1920-23
Service Area:	All
Director:	All (Lead Alyn Jones)
Strategic Manager	Martin Gerrish
SAP Node	

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
x	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p>Review charge out rates in respect of external customers and time charge rates against capital and grant funded project. The purpose of the review is to ensure that services are recouping the total costs of providing services where a charge can be made or the costs of deploying staff to capital and third-party projects. This will be achieved by the following;</p> <ul style="list-style-type: none"> <li>• Verify the overhead recovery rate charged and ensuring it includes all appropriate costs and that they are predicated upon a 19/20 price base. This will include a review of staffing costs, direct costs of providing the service and indirect/overhead recovery costs (including any inflationary costs).</li> <li>• We will also consider benchmarking of recovery rates and costs against our local authority near neighbours.</li> </ul>



- We will review the legal powers to charge under the Local Government Act 2003 and the Local Authorities (Goods and Services) 1970 and subsequent legislation.

An initial business case will be developed in Economic and Community Infrastructure (ECI) which will then be considered against all relevant services across Somerset County Council.

Savings will be derived by releasing revenue costs in the event of further capitalisation or securing sustainable increases in securing revenue for chargeable activity.

The outcome of the review will set out the standard charging rates across SCC from which on variances can then be documented.

Initial assessments have identified that direct costs associated with a service employing 35 staff could recover direct costs of approximately £70,000.

#### **2a. Confidence level**

80 %

This is based on an initial of the potential revenue to be released within ECI (£120,000).

#### **3. Impact on residents, businesses and other organisations:**

Potential impact of services users as a result of increased charges.

#### **4. Impact on other services we provide:**

None

#### **5. Impact on staff:**

None

#### **6. Resources and support needed to make the change:**

Finance support to review overhead recovery rates and capital funding rules/guidelines.

Focused legal advice on the legislative parameters for charging for services.

#### **7. Timescale to deliver and major milestones:**

Legal review	14 December 2018
ECI case study to be complete	4 January 2019

Service based budget review to reallocate revenue costs to charges/capital	11 January 19
--	---------------

**8. Risks and opportunities:**

- Limitations of capital requirements.
- Services confirm that they are already recouping all relevant costs.
- Lack of staff resources to review budgets to required timescale.
- Opportunities – increase charging rates and identify total cost for service delivery.

**9. Dependencies:**

No.

**10. Initial Equality Impact Assessment:**

No.

**11. Consultation and Communications plan:**

Engagement with services to identify possible increase in charges. Following this review engagement with service users and capital finance (internal).

**12. Legal Implications:**

To be determined following legal review. However, reviews of ECI case studies suggest no implications which will limit the ability of this saving to be realised.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	No
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If no, when is the evidence expected?	January 2019
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Please note: these figures should be cumulative

£s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£0	£120,000	-£0	£120,000	Ongoing
2020/21	£0	£0	-£0	£0	
2021/22	£0	£	-£0	£0	
<b>Total</b>	<b>£0</b>	<b>£120,000</b>	<b>-£0</b>	<b>£120,000</b>	

£'000's	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£	£	-£	£	
2020/21	£	£	-£	£	

2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£</b>	<b>£</b>	<b>-£</b>	<b>£</b>	

<b>13b. One-off project costs and income (not included in above):</b>		
<b>£'000's</b>		
2019/20	Capital Costs	-£0
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£0</b>

**Appendix E5 -  
ECI Services  
Proposals for  
Change -  
For decision for  
2019 - 2022**

## Proposal for Change:

### ECI1920-03 - Reduction in Rights of Way Service Delivery

Corporate Plan Priority:	
Service Area:	Rights of Way
Director:	Alyn Jones (Lead Director Paula Hewitt)
Strategic Manager	Andrew Turner
SAP Node	EHDCCKBA

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p><b>Reduction in Rights of Way Service Delivery</b></p> <p>The main revenue activity, aside of salaries, is routine vegetation clearance. The annual contract spend on routine vegetation clearance is approximately £85k (delivered through a Framework Agreement &amp; competitive process). It is proposed that £25k of this budget is surrendered.</p>

2a. Confidence level		
<table border="1"> <tr> <td>80</td> <td>%</td> </tr> </table> <p>Whilst there is a very high level of confidence that the delivery of the saving can be executed by adjusting the vegetation clearance schedule to the available budget, it remains to be seen what the associated impact will be in terms of insurance claims, serving of statutory notices on the Council.</p>	80	%
80	%	

### **3. Impact on residents, businesses and other organisations:**

There will be a likely decrease in the percentage of the network that is deemed 'easy to use' with the potential for an increase in complaints.

Section 56 notices for 'out of repair' may be served where routes become obstructed by growth.

Contractors who have invested in the Vegetation Clearance framework contract will have less income as a result but may partially benefit from the need for a call-off contract to address routes as one-off cuts as opposed to scheduled cuts.

Priority routes (promoted trails and utility routes) will be preserved which should manage the impact to some degree.

A reduction in accessibility of routes could have an impact on the tourism industry and thus the local economy.

### **4. Impact on other services we provide:**

The potential for a decline in the percentage of routes that are accessible could have a consequential but undetermined impact on the wider health objectives (relating to encouraging greater levels of physical activity). Rights of Way play a role in modal shift and therefore any reduction in service delivery could impact on trying to reduce motorised vehicle journeys.

### **5. Impact on staff:**

Vegetation clearance is mainly proactive. Potential that staff will spend more time dealing with complaints about overgrown paths. This may divert resource away from other aspects of service delivery.

It may generate increased uptake in volunteer schemes putting pressure on officer resource to administer these schemes.

### **6. Resources and support needed to make the change:**

The decrease in service delivery will hopefully encourage greater participation in volunteer schemes, e.g.: strimmer scheme, adopt-a-path. Assuming there is an increase in uptake, an additional budget may be required for capital items – this has been scheduled below.

### **7. Timescale to deliver and major milestones:**

Parish & Town Council consultation on clearance schedule and path hierarchy	Nov 18 - Jan 19
Review of schedule to fit with budget	Feb 19
Completion	31 <sup>st</sup> March 19 to take effect for FY 2019/20

**8. Risks and opportunities:**

**Risks:** See above and below for main risks, i.e. network accessibility (serving of notices), health, tourism, local economy, modal shift, staff morale/ retention. This reduction could result in a decrease in the competitiveness of tendered rates, as contractors will have to cut paths which are more difficult to cut, having been cut less frequently or not at all. Best value will become less obtainable and the initial schedule review will precipitate into further reduction in future years as prices go up.

**Opportunities:** Parish Councils and volunteers may help to offset the reduction in service delivery, but this is ultimately reliant on them being willing to do so. In addition, the impact of this proposal may be mitigated by encouraging greater levels of participation from volunteers.

**9. Dependencies:**

An increase in capital allocation will be required to cope with any upturn in volunteer recruitment. Staff resourcing of volunteer schemes may also need reviewing with a possible role for Business Support, where resources allow.

**10. Initial Equality Impact Assessment:**

Yes - an EIA has been produced. Acceptance of this proposal will likely lead to a general decline in service delivery, impacting on all communities of Somerset and the local economy.

**11. Consultation and Communications plan:**

Consultation would be required with Parish & Town Councils to review the schedule and to review the network hierarchy (an exercise they last assisted with around a decade ago). User groups and the Local Access Forum would form part of this consultation exercise.

The outcome would need to be communicated with all key stakeholders.

**12. Legal Implications:**

This proposal could result in SCC not fulfilling its duty of keeping routes free from growth. Roughly 4 out of 5 routes are available and the 20% that are not available are generally down to historic or current obstructions or temporary closures due to failing or missing structures. Obstructed by vegetation could be added to this list if the proposal is accepted.

There is no statutory duty to consult on implementing the proposal, but it would be advisable that any reduction in delivery is informed by those that know the network best, i.e.: the local inhabitants.

**13a. Financial Implications – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	No
If no, when is evidence expected?	January 2019 The schedule will be revised in accordance with available

				budget and tendered framework rates.	
Please note: these figures should be cumulative					
£'s	Savings	Income Generated	Cost Involved (see also 13b)	Total	Ongoing or One-off?
2019/20	£25,000	£0	-£0	£25,000	Ongoing
2020/21	£0	£0	-£0	£0	-
2021/22	£0	£0	-£0	£0	-
2022/23	£0	£0	-£0	£0	-
2023/24	£0	£0	-£0	£0	-
Total	£25,000	£0	-£0	£25,000	

<b>13b. One off project costs and income (not included in above):</b>		
£'000's		
2019/20	Capital Costs	-£5
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	-£5
2020/21	Capital Costs	-£5
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	-£5
2021/22	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	-£0
<b>TOTAL</b>		<b>-£10</b>



# Somerset Equality Impact Assessment

<b>Organisation prepared for</b>	<b>Somerset County Council</b>		
<b>Version</b>	<b>V1</b>	<b>Date Completed</b>	<b>13/11/18</b>
<b>Description of what is being impact assessed</b>			
<p><b>Reduction in Rights of Way Service Delivery – ECI1920-03</b>                  The reduction in service delivery will be implemented through reducing the proactive vegetation clearance schedule. This will have an impact on the physical network and is therefore likely to impact on all protected groups; i.e.: anyone who is able to access the public rights of way network could potentially be affected by this reduction in service delivery.</p>			
<b>Evidence</b>			
<b>What data/information have you used to assess how this policy/service might impact on protected groups?</b>			
<p>An exercise was undertaken approximately 12 years ago with Parish &amp; Town Councils to categorise their local networks based on levels of use. These categories are used in prioritising how we respond to issues on the network as part of a risk-based approach. Parishes were also consulted in relation to the vegetation clearance schedule. We currently don't have detailed information on accessible routes specifically but where possible this will form part of the consideration as to where and where not reductions are made in the vegetation clearance schedule.</p>			
<b>Who have you consulted with to assess possible impact on protected groups?</b>			
<p>It has not been possible to consult and receive responses prior to the decision being taken. However, Parish &amp; Town Councils, user group representatives and the Local Access Forum will all be consulted prior to implementation of the reduction.</p>			

Analysis of impact on protected groups				
Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>Potential for some rights of way to become inaccessible due to vegetation not being cut. Those young and old could be disproportionately affected. If paths become inaccessible then they cannot access the countryside the same way as able-bodied people.</li> </ul>	☒	☐	☐
<b>Disability</b>	<ul style="list-style-type: none"> <li>Potential for some rights of way to become disproportionately inaccessible due to vegetation not being cut. Wherever possible accessible routes (where known and on the schedule) will continue to be maintained appropriately. If paths become inaccessible then they cannot access the countryside the same way as able-bodied people.</li> </ul>	☒	☐	☐
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>No disproportionate impact.</li> </ul>	☐	☒	☐
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>No disproportionate impact.</li> </ul>	☐	☒	☐
<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>No disproportionate impact.</li> </ul>	☐	☒	☐
<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>No disproportionate impact.</li> </ul>	☐	☒	☐
<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>No disproportionate impact.</li> </ul>	☐	☒	☐
<b>Sex</b>	<ul style="list-style-type: none"> <li>No disproportionate impact.</li> </ul>	☐	☒	☐

<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>No disproportionate impact.</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>Those who use isolated lowly-used rights of way could be disproportionately affected.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Negative outcomes action plan</b>				
<b>Action taken/to be taken</b>	<b>Target Date</b>	<b>Person responsible</b>	<b>How will it be monitored?</b>	<b>Action complete</b>
Consultation on vegetation clearance schedule and path categories	31/01/2019	Jake Taylor	Ongoing supervision	<input type="checkbox"/>
Review of schedule (informed by consultation results)	28/02/2019	Rob Coate	Ongoing supervision	<input type="checkbox"/>
Promotion of volunteer schemes	Ongoing	Jake Taylor	Ongoing supervision	<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
<p>Whilst the above measures will hopefully mitigate for the reduction in service delivery, there are likely to be occasions where paths become overgrown and reports of such are lodged with the Rights of Way Service. Volunteer action could be called upon to resolve the issue, but where this is not possible, then any available revenue budget can be used to cut the vegetation reactively instead of proactively. Well used routes and accessible routes will be high priorities where they are not already on the schedule. Where there is insufficient revenue budget then there is the risk that either the overgrowth will increase and become a bigger task to clear, or someone may serve a notice upon the Highway Authority asserting that a route is out of repair.</p>				
<b>Completed by:</b>	<b>Pete Hobley</b>			
<b>Date</b>	<b>13/11/18</b>			

<b>Signed off by:</b>	<b>Pete Hobley</b>
<b>Date</b>	<b>13/11/18</b>
<b>Equality Lead/Manager sign off date:</b>	<b>13/11/18</b>
<b>To be reviewed by: (officer name)</b>	<b>Pete Hobley</b>
<b>Review date:</b>	<b>28/02/19</b>

## Proposal for Change: Verge Maintenance.

### ECI1920-04 - Implement a 1-swathe width cut across the entire planned verge maintenance programme 2019/2020

#### Routine and Environmental maintenance Project

Corporate Plan Priority:	
Service Area:	Highways Maintenance (Operations)
Director:	Alyn Jones (Lead Director Paula Hewitt)
Strategic Manager	Andrew Turner
SAP Node	

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
To implement a 1-swathe width cut across the entire planned verge maintenance programme 2019/2020. (Commencing May 2019). The service currently implements variable swathe width cuts across the network. Saving to be achieved by modifying extent of cutting undertaken in the 16-week countywide programme. Visibility splays and forward sight lines, as defined in the inventory, to remain as part of the agreed service provision.

2a. Confidence level
90%
<ul style="list-style-type: none"> <li>• SCC to inform Skanska via Task Order/Service Instruction in advance of the 2019 verge maintenance cutting programme. April 2019.</li> <li>• Uncertainty of verge maintenance rates for 2019/2020.</li> </ul>

3. Impact on residents, businesses and other organisations:
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- Low impact on communities and business. Whilst the change would see a reduction in operational output, the overall verge maintenance programme would still deliver/align with the current SCC policy. A and B network, inclusive of visibility splays, cut twice; C and unclassified network, inclusive of visibility splays, cut once. Sensitive sites cut last.

**4. Impact on other services we provide:**

- No direct impact as a consequence.

**5. Impact on staff:**

- No direct impact as a consequence.

**6. Resources and support needed to make the change:**

- No resource/support needed to make the change.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
SCC to inform Skanska via Task Order/Service Instruction		April 2019

**8. Risks and opportunities:**

1. Risk of affecting the overall contract turnover and subsequent revenue rebate.
2. Whilst a there is a very low risk there maybe contractual Early Warning Notices/Compensation event with Skanska.
3. Visibility splays must remain as part of this programme.
4. Reduction in service can positively enhance wildlife and flora protection and enable creation of new habitats.
5. The change to working practices would better align the current verge maintenance operations with the Somerset County Council 'Highways Bio-diversity Manual'.
6. Potential insurance implications.
7. Self-seeded trees will be allowed to establish creating a greater maintenance liability in future.
8. Potential for reputational damage.

**9. Dependencies:**

N/A

**10. Initial Equality Impact Assessment:**

Yes – see EIA

**11. Consultation and Communications plan:**

Yes – communication strategy to be developed.

**12. Legal Implications:**

N/A

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes (inventory data – Confirm)
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If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£90,000	£	-£	£90,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	£90,000	£	-£	£90,000	

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		£

# Somerset Equality Impact Assessment

<b>Organisation prepared for</b>	Somerset County Council		
<b>Version</b>	1	<b>Date Completed</b>	30/10/2018
<b>Description of what is being impact assessed</b>			
<p>Implement a 1-swathe width cut across the entire <b>planned verge maintenance programme (EC11920-04)</b>.</p> <p>This proposal is to:</p> <ol style="list-style-type: none"> <li>1. Implement a 1-swathe width cut across the entire planned verge maintenance programme 2019/2020. (Commencing May 2019).</li> <li>2. Currently variable swathe width cuts across the network.</li> <li>3. Saving to be achieved by modifying extent of cutting undertaken in this 16-week countywide programme.</li> <li>4. Visibility splays and forward sight lines, as defined in the inventory, to remain.</li> </ol>			
<b>Evidence</b>			
<b>What data/information have you used to assess how this policy/service might impact on protected groups?</b>			
This information is not available as the impact cannot be predicted at this stage.			
<b>Who have you consulted with to assess possible impact on protected groups?</b>			
There is no requirement for formal consultation as this is a service adjustment.			



Analysis of impact on protected groups				
Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
Age	<ul style="list-style-type: none"> <li>The proposals may have a greater impact on older residents and children as increased verge vegetation growth may impede access to safe points of refuge adjacent to the highway network and/or impede access to pedestrian walk ways.</li> </ul>	☒	☐	☐
Disability	<ul style="list-style-type: none"> <li>Increased verge vegetation growth may impede access to the local network and/or impede access to pedestrian links.</li> </ul>	☒	☐	☐
Gender reassignment	<ul style="list-style-type: none"> <li>N/A. The proposal is a reduction in operations only, not a change or deviation from existing policy.</li> </ul>	☐	☒	☐
Marriage and civil partnership	<ul style="list-style-type: none"> <li>N/A. The proposal is a reduction in operations only, not a change or deviation from existing policy.</li> </ul>	☐	☒	☐
Pregnancy and maternity	<ul style="list-style-type: none"> <li>Increased verge vegetation growth may impede access to the local network and/or impede access to pedestrian links.</li> </ul>	☒	☒	☐
Race and ethnicity	<ul style="list-style-type: none"> <li>N/A. The proposal is a reduction in operations only, not a change or deviation from existing policy.</li> </ul>	☐	☒	☐
Religion or belief	<ul style="list-style-type: none"> <li>N/A. The proposal is a reduction in operations only, not a change or deviation from existing policy.</li> </ul>	☐	☒	☐
Sex	<ul style="list-style-type: none"> <li>N/A. The proposal is a reduction in operations only, not a change or deviation from existing policy.</li> </ul>	☐	☒	☐
Sexual orientation	<ul style="list-style-type: none"> <li>N/A. The proposal is a reduction in operations only, not a change or deviation from existing policy.</li> </ul>	☐	☒	☐

<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>N/A. The proposal is a reduction in operations only, not a change or deviation from existing policy.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Negative outcomes action plan**

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Service reductions are expected to have significant impacts. That said, in the unlikely event that safety or serviceability issues arise, they will be dealt with using the reactive safety defect programme of work (which remains unaffected by these proposals). This is a statutory duty of the local authority and remains in place.	01/04/2019	Andrew Turner	The impact managed through the Reactive Safety Defect Programme.	<input type="checkbox"/>
SCC local Area Highways Offices (AHO) to pursue enforcement of the powers afforded by the HA1980 and utilise recharge process.	01/04/2019	AHO's	Through conversations with the AHO's & R&E project.	<input type="checkbox"/>

**If negative impacts remain, please provide an explanation below.**

N/A

<b>Completed by:</b>	<b>Neil McWilliams</b>
<b>Date</b>	<b>30/10/2018</b>
<b>Signed off by:</b>	<b>Andrew Turner</b>
<b>Date</b>	<b>31/10/2018</b>

<b>Equality Lead/Manager sign off date:</b>	<b>03/12/2018</b>
<b>To be reviewed by: (officer name)</b>	<b>Neil McWilliams</b>
<b>Review date:</b>	<b>01/09/2019</b>

# Proposal for Change

## ECI1920-05 - Capitalisation of the existing revenue funded Ditches and Grips budget

### Routine and Environmental maintenance Project

Corporate Plan Priority:	
Service Area:	Highways Maintenance (Operations)
Director:	Alyn Jones (Lead Director – Paula Hewitt)
Strategic Manager	Andrew Turner
SAP Node	

<b>1. The proposal is to:</b>	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

<b>2. Outline of the proposed change:</b>	
<ol style="list-style-type: none"><li>1. Capitalisation of the revenue funded Ditches and Grip budget spend.</li><li>2. Works involve creating new, permanent assets.</li></ol>	

<b>2a. Confidence level</b>	
80 %	<ul style="list-style-type: none"><li>• Confirmed that this activity does comply with capital funding requirements. The creation of new ditch and grip assets can be undertaken using capital funding.</li></ul>

<b>3. Impact on residents, businesses and other organisations:</b>	
<ul style="list-style-type: none"><li>• No impact. Operational delivery would continue.</li></ul>	

<b>4. Impact on other services we provide:</b>	
<ul style="list-style-type: none"><li>• No direct impact. Operational delivery would continue.</li></ul>	

**5. Impact on staff:**

- No direct impact as a consequence.

**6. Resources and support needed to make the change:**

- No resource/support needed to make the change.

**7. Timescale to deliver and major milestones:**

Milestone	Date
SCC to Instruct Skanska via Service Instruction/Task Order.	April 2019

**8. Risks and opportunities:**

- No impact. Operational delivery would continue.

**9. Dependencies:**

N/A

**10. Initial Equality Impact Assessment:**

N/A

**11. Consultation and Communications plan:**

N/A

**12. Legal Implications:**

N/A

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes - Taken from base budget for Ditches & Grips.
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If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£60,000	£	-£	£60,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£60,000</b>	<b>£</b>	<b>-£</b>	<b>£60,000</b>	

<b>13b. One-off project costs and income (not included in above):</b>		
<b>£'000's</b>		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

# Proposal for Change

## ECI1920-09 - Highways – Winter & Emergency Service – Removal of Roadside Salt Supplies

Corporate Plan Priority:	
Service Area:	Highways Operations
Director:	Alyn Jones (Lead Director Paula Hewitt)
Strategic Manager	Andrew Turner
SAP Node	EHDCFC

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
Removal of roadside salt supplies for self-help usage by the travelling public in winter conditions. Prior to 2018/2019 SCC policy was for salt to be supplied for this operation contained in grit bins and 1 tonne dumpy bags. This service was stopped for the winter of 2018/2019 as a one-off measure. Whilst this has been temporarily reinstated the proposal is to remove this provision as an ongoing measure from 2019/2020 onwards.

2a. Confidence level
100 % The service has demonstrated that it is able to deliver this saving by removing this service.

3. Impact on residents, businesses and other organisations:
This is a service that has traditionally been supplied by the County Council in order to promote self-help by the travelling public, residents, local businesses etc. This approach is promoted in Council publicity material and is supported on a national basis by the Department for Transport.

**4. Impact on other services we provide:**

Greater demand from the travelling public, residents, local businesses, District/Town/Parish Councils, Elected Members and others for additional roads to be included on the County Council's precautionary Salting Network.

**5. Impact on staff:**

No impact on staff.

**6. Resources and support needed to make the change:**

None – will be managed within the service area.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
Decision		February 2019
Implementation		31 <sup>st</sup> March 2019

**8. Risks and opportunities:**

The proposal may adversely affect the ease of use and travel across the highway network in winter conditions.

The proposal will reverse the Council's current approach to the distribution of salt for self-help usage.

A Community Snow Warden scheme is to be piloted through winter 2019/20 to mitigate the effects of this service adjustment.

**9. Dependencies:**

Will rely upon the co-operation of the travelling public, residents, local businesses, District/Town/Parish Councils, Elected Members and others.

Any reduction in the Skanska budgets issued through the Annual Plan may affect the contractual revenue rebate.

**10. Initial Equality Impact Assessment:**

Yes. This affects access to the highway network for all.



**11. Consultation and Communications plan:**

Yes. Direct communication with District/Town/Parish Councils, Elected Members and others will be required. Communicating these changes to the wider public would require press release(s) and follow up interviews through local media channels. In order to mitigate the potential impact on communities the County Council has developed a proposal to offer to top up grit bins as a chargeable service. Changes to County Council publicity documents promoting the self-help approach and changes to the County Council website would be required.

A Community Snow Warden scheme will also be promoted following winter 2018/19.

**12. Legal Implications:**

None

**13a. Financial Implications – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes
If no, when is evidence expected?	N/A

Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (see also 13b)	Total	Ongoing or One-off?
2019/20	£40,000	£	-£	£40,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
Total	£40,000	£	-£	£40,000	

**13b. One off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		£

# Somerset Equality Impact Assessment

<b>Organisation prepared for</b>	<b>Somerset County Council</b>		
<b>Version</b>	<b>V1</b>	<b>Date Completed</b>	<b>31/10/2018</b>
<b>Description of what is being impact assessed</b>			
<p><b>SCC Financial Imperative Actions - Highways - Winter &amp; Emergency Service (Roadside Salt Supplies) – EC1920-09</b></p> <p>This proposal concerns roadside salt supplies for self-help usage by the travelling public in winter conditions. The proposal is to remove this provision of roadside salt (grit bin replenishment, 1 tonne dumpy bags and 25kg bags) for the winter of 2019/20 onwards.</p>			
<b>Evidence</b>			
<b>What data/information have you used to assess how this policy/service might impact on protected groups?</b>			
<ul style="list-style-type: none"> <li>• Evidence will be collated for this proposal through winter 2018/19 which will see this proposal implemented as a result of Cabinet decision dated 12 September 2018.</li> <li>• The local knowledge of the Somerset County Council (SCC) Highways Group of the Somerset highways network.</li> <li>• Suitably qualified and experienced personnel (SQEP) who have considerable experience in managing winter service.</li> <li>• Bench-marking against ‘Well Managed Highways – Code of Practice (2016)’ Minimum Winter Network.</li> <li>• Many years’ experience of contacts with local stakeholders who use the Somerset highways network.</li> <li>• SCC’s “Equality Act: Protected Characteristics – January 2013”. Although five years old, the data in relation to the protected characteristics that are relevant to this analysis are still appropriate.</li> </ul>			
<b>Who have you consulted with to assess possible impact on protected groups?</b>			

No formal consultation has been carried out with any protected groups who may be impacted by this proposal. However, as this proposal is being implemented through 2018/19, there will be dialogue with communities to manage and mitigate changes in service levels, in particular, the development of a Community Snow Warden Scheme. Further mitigation will be achieved by utilisation of farming contractors and other ad hoc activities depending on available resources.

SCC will invite Parish Councils to pay to have their grit bin topped up. This will enable engagement to happen with those most impacted by the proposal and allow for a better assessment of any issues that arise. A record of this will be maintained and will inform a review of the **Somerset County Council Winter & Emergency Policy Plan**.

### Analysis of impact on protected groups

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>The proposals do have a greater impact on rural areas. Rural areas do have a larger proportion of older residents than urban areas.</li> <li>The proposals could impact access to schools and education facilities for children and young people.</li> </ul>	☒	☐	☐
<b>Disability</b>	<ul style="list-style-type: none"> <li>The removal of roadside salt supplies will make the urban highway network, including footways, less accessible and more hazardous than previously.</li> </ul>	☒	☐	☐
<b>Gender reassignment</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	☐	☒	☐
<b>Marriage and civil partnership</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	☐	☒	☐

<b>Pregnancy and maternity</b>	<ul style="list-style-type: none"> <li>The removal of roadside salt supplies will make the urban highway network, including footways, less accessible and more hazardous than previously. It will thus be less available for use by pregnant and new mothers and their support team and, if used, more hazardous to drive on.</li> </ul>	☒	☐	☐
<b>Race and ethnicity</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	☐	☒	☐
<b>Religion or belief</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	☐	☒	☐
<b>Sex</b>	<ul style="list-style-type: none"> <li>N/A – see Pregnancy / Maternity implications above.</li> </ul>	☐	☒	☐
<b>Sexual orientation</b>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	☐	☒	☐
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li><u>Carers</u>. The removal of roadside salt supplies will make the urban highway network, including footways, less accessible and more hazardous than previously. It will thus be less available for use by carers accessing people who require care and, if used, more hazardous to drive on.</li> <li><u>Socio-economic</u>. The removal of roadside salt supplies will make the urban highway network, including footways, less accessible and more hazardous than previously. It will thus be less available for use by people getting to work or accessing other services and, if used, more hazardous to drive on.</li> <li><u>Rurality</u>. The proposals do have a greater impact on rural areas. The removal of roadside salt supplies will make the urban highway network, including footways, less accessible and more hazardous than previously. It will thus be less available for use by people travelling around rural areas and, if</li> </ul>	☒	☐	☐

	<p>used, more hazardous to drive on. Any public bus services will have a less accessible and more hazardous network to drive on.</p> <ul style="list-style-type: none"> <li>• <u>Isolation</u>. The proposals do have a greater impact on isolated groups, especially in rural areas. The removal of roadside salt supplies will make the urban highway network, including footways, less accessible and more hazardous than previously. It will thus be less available for use by people travelling around rural areas and, if used, more hazardous to drive on. Any public bus services will have a less accessible and more hazardous network to drive on.</li> </ul>			
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**Negative outcomes action plan**

Action taken/to be taken	Date	Person responsible	How will it be monitored?	Action complete
Publicity by SCC in advance of the 2018/2019 winter season to alert all road users as to the changes to the network compared to the winter of 2017/2018 – to be replicated for future winter seasons.	01/04/2019	David Peake	Record kept of media interactions, internet and social media postings, direct communications with parish/town councils and elected members. Record of responses received from the travelling public, parish/town councils and elected members.	<input type="checkbox"/>
Section 3.3.1 of the Somerset County Council Winter & Emergency Policy Plan states that 'where conditions or events are unusual they are to be responded to by	01/04/2019	David Peake	Record kept of the number of requests	<input type="checkbox"/>

contacting a Client Representative and/or operative to carry out appropriate treatment'. This may be used to mitigate any impact to the equalities protected groups outlined above where it is deemed 'unusual'. The policy specifically references pregnant women going into labour.			that SCC Highways Group receives.	
Somerset County Council Winter & Emergency Policy Plan to be updated to ensure it is fit for purpose in light of these short term changes.	01/04/2019	David Peake	Record kept of the number of requests that SCC Highways Group receives	<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
To be reviewed.				
<b>Completed by:</b>	<b>David Peake</b>			
<b>Date</b>	<b>31<sup>st</sup> October 2018</b>			
<b>Signed off by:</b>	<b>Andrew Turner</b>			
<b>Date</b>	<b>31<sup>st</sup> October 2018</b>			
<b>Equality Lead/Manager sign off date:</b>	<b>3/12/2018</b>			
<b>To be reviewed by: (officer name)</b>	<b>David Peake</b>			
<b>Review date:</b>	<b>01/04/2019</b>			

# Proposal for Change

## ECI1920-10 - Highways Staff Structure Review

Corporate Plan Priority:	
Service Area:	Highways Maintenance (Operations)
Director:	Alyn Jones (Lead Director – Paula Hewitt)
Strategic Manager	Andrew Turner
SAP Node	

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>Asset management is a well-established discipline for the management of physical assets. Many asset owning organisations have adopted the principles of asset management and as a result, can demonstrate benefits in terms of financial efficiencies, improved accountability and stewardship of the asset, better value for money and improved customer service.</p> <p>The primary purpose of this Proposal for Change is to:</p> <ul style="list-style-type: none"> <li>• Fulfil the Highway Commissioning intentions set out in the Service Plan dated 2017/18 and 2018/19 for the creation of asset management function within ECI Operations after developing a risk-based approach based on 'Well managed highways infrastructure'.</li> <li>• To map out the approach in developing and implementing the asset management framework;</li> <li>• Provide the organisational platform for cohesive asset management across the service areas;</li> <li>• Facilitate the production of subsequent business cases for related investment (e.g. DfT Incentive funding, SRA funding, etc);</li> <li>• Enable the development of corporate planning and the setting of associated budgets; and</li> <li>• Allow the identification and provision of best value investment opportunities across all highway assets; and above all</li> </ul>	

- Inform the resources and staffing structure to deliver the above.

However, whilst this service redesign activity is undertaken, a number of posts in the Highways Operations service will be held vacant. This will enable an equivalent saving to be delivered in the short to medium term (0-9months) prior to determining the changes to the service structure.

**2a. Confidence level**

80%

The asset management project is in its early stages and the Project Initiation Document (PID) is currently in draft form. As such, there is a significant amount of work to do to meet the key deliverables of the project which are:-

- An integrated asset management plan;
- Lifecycle plans for each service area; and
- Review of policy and levels of service.

Whilst there is potential and likelihood for restructure, it is too early in the project timeline to be definitive on the grades / numbers of staff in scope.

An equivalent saving will be realised in the short to medium term by holding vacancies within the service.

**3. Impact on residents, businesses and other organisations:**

No

**4. Impact on other services we provide:**

The asset management project will be seeking to provide an integrated approach across Highways Operations so the function and output of the various teams may be in scope.

**5. Impact on staff:**

A small number of posts might be lost and will be identified through a restructure at the appropriate time.

*The number of FTE that might be lost is:*   
*The number of posts that might be lost is:*

**6. Resources and support needed to make the change:**

Project management resource has been secured – a dedicated Project Manager is assigned to this task working (approx. one day per week)

Project support officer support is required but this resource has not been secured.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
Project completion		31 March 2019



Staff consultation	Late spring / early summer 2019
Restructure implementation	Autumn 2019

#### 8. Risks and opportunities:

- Savings not realised through staff restructuring;
- Integration of disparate service areas proves unviable;
- Robustness and futureproofing of operating systems for management and interpretation of data requiring the need for further changes; and
- Fundamental shift from Central Government funding structures.

#### 9. Dependencies:

The proposed restructuring will also be considered in conjunction with other restructuring opportunities across ECI.

#### 10. Initial Equality Impact Assessment:

Not required

#### 11. Consultation and Communications plan:

Staff consultation but will be required at a later date. To be undertaken at the completion of the asset management project after work stream activities are defined and therefore greater clarity on resources is required to fulfil tasks.

#### 12. Legal Implications:

This proposal is at an early stage and so will need to be considered when developed fully. Once proposals are finalised, specific legal advice may be required

#### 13a. Financial Savings – net change to service budget in each year:

Are the savings evidenced based (evidence should be included with this template)?	No
If no, when is the evidence expected?	Qtr1 19/20

Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£80,000	£	-£	£80,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£80,000</b>	<b>£</b>	<b>-£</b>	<b>£80,000</b>	

<b>13b. One-off project costs and income (not included in above):</b>		
<b>£'000's</b>		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		£

# Proposal for Change

## ECI1920-013 - Highways – Winter & Emergency Service (Gritter Fleet Disposal)

Corporate Plan Priority:	
Service Area:	Highways
Director:	Alyn Jones (Lead Director Paula Hewitt)
Strategic Manager	Andrew Turner
SAP Node	EHDCFC

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
X	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
To sell the three gritters which have been replaced by new gritters purchased in advance of the 2018/19 winter season. The gritters are no longer required to support service delivery.

2a. Confidence level
100 % The gritters are no longer required.

3. Impact on residents, businesses and other organisations:
No impact on residents, businesses and other organisations. SCC will still retain enough gritters to undertake the routes in the identified in the current winter service policy

4. Impact on other services we provide:
None

5. Impact on staff:
No impact on staff.

**6. Resources and support needed to make the change:**

Resources required from Fleet Management to dispose of the gritters.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
Winter of 2018/2019		31 <sup>st</sup> March 2019

**8. Risks and opportunities:**

No risks as the three gritters are redundant fleet.

**9. Dependencies:**

There are no dependencies associated with the 19/20 saving.

**10. Initial Equality Impact Assessment:**

Not applicable

**11. Consultation and Communications plan:**

None

**12. Legal Implications:**

None

**13a. Financial Implications – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes				
If no, when is evidence expected?	N/A				
Please note: these figures should be cumulative					
£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£27,000	£	-£	£27,000	One off
2020/21	£-27,000	£	-£	£-27,000	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
Total	£	£	-£	£	

**13b. One off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£

	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
	TOTAL	£

## Proposal for Change:

### ECI1920-14 - Highways - Disposal of Land Rover Fleet

Corporate Plan Priority:	
Service Area:	Highways
Director:	Alyn Jones (lead Director Paula Hewitt)
Strategic Manager	Andrew Turner
SAP Node	EHDCFC

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
X	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>Following the review and revision of the Winter Service Policy, there is no requirement for SCC operational staff to drive in challenging climatic conditions that would necessitate the specific provision of a 4x4 vehicle.</p> <p>The fuel saving resulting from the disposal of the Land Rover fleet is estimated to be almost £16,000 (£3,200 per annum) based on approximate running costs of a Land Rover with an average staff mileage of around 8,500 miles per year over a five-year period.</p> <p>Additionally, there will be a capital receipt estimated around £75,000 associated with the disposal of the Land Rover fleet.</p> <p>Additional reasons to support the disposal include:-</p> <ul style="list-style-type: none"> <li>• With the exception of one vehicle, the Land Rover fleet are all blue in colour which is inconsistent with the requirements of Chapter 8 of the Traffic Signs Manual, Part 2;</li> <li>• The vehicles are uncomfortable and difficult to drive over prolonged periods, especially on the urban network whilst undertaking safety and serviceability inspections. The discomfort has attracted complaints from operational staff;</li> </ul>	

including two occasions of back strains due to prolonged use of the vehicles.

- The expense associated with poor fuel efficiency.
- The emissions are proportionally higher than a conventional vehicle.

#### **2a. Confidence level**

100 %

The five Land Rovers are no longer required for operational service requirements due to adjustments in working practices and service contingencies.

#### **3. Impact on residents, businesses and other organisations:**

No impact on residents, businesses and other organisations.

SCC will retain access to 4x4 vehicles on a 'call-off' basis in the event service-critical highway staff require transportation to their work place during periods of severe inclement weather.

#### **4. Impact on other services we provide:**

None

#### **5. Impact on staff:**

No impact on staff.

#### **6. Resources and support needed to make the change:**

Resources required from Fleet Management to dispose of the Land Rover fleet.

#### **7. Timescale to deliver and major milestones:**

	Milestone	Date
Winter of 2018/2019		By 31 <sup>st</sup> March 2019

#### **8. Risks and opportunities:**

The only occasion when 4x4 vehicles would be required is to transport service-critical staff to their work place. A mitigation/ transportation plan is currently being concluded to ensure service resilience in the event of severe inclement weather.

#### **9. Dependencies:**

None

#### **10. Initial Equality Impact Assessment:**

Not applicable

#### **11. Consultation and Communications plan:**

None

#### **12. Legal Implications:**

None

<b>13a. Financial Implications – net change to service budget in each year:</b>					
Are the savings evidenced based (evidence should be included with this template)?					Yes
If no, when is evidence expected?					N/A
Please note: these figures should be cumulative					
£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£3,200	£	-£	£3,200	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£3,200</b>	<b>£</b>	<b>-£</b>	<b>£3,200</b>	

<b>13b. One off project costs and income (not included in above):</b>		
£'s		
2019/20	Capital Costs	-£
	Capital Receipts	£75,000
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£75,000
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£75,000</b>



## Proposal for Change:

### ECI1920-17 – Reduce Traffic Management and Parking Services revenue costs

Corporate Plan Priority:	
Service Area:	Traffic Management and Road Safety
Director:	Alyn Jones (Lead Director Paula Hewitt)
Strategic Manager	Bev Norman
SAP Node	EHDF

1. The proposal is to:	
X	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p>Review how Traffic Management and Parking services are undertaken with a view to reducing the revenue budget by £100K. This will include ensuring full cost recovery, income generation and service re-design by bringing Parking Services into the Traffic Management service structure.</p> <p>Resources to support the development and implementation of these proposals including the Parking Review have been made available by refocusing existing traffic engineering resources.</p> <p>Local SCC Traffic Engineers no longer deal with individual and very local traffic engineering requests that benefit a small number of individuals, including requests for new or amendments to existing signing, lining, speed limits, HGVs restrictions, disabled parking bays etc but focus on those schemes which have the greatest benefit. These minor requests will be included in the wider parking review for the area and form part of the evidence base for road safety and congestion issues.</p>

**2a. Confidence level**

90%:

An additional £100K saving from the revenue budget will be achieved through full cost recovery, income generation and service re-design.

**3. Impact on residents, businesses and other organisations:**

The service re-design, particularly in relation to a Parking Review may impact on residents and businesses, however individual impact assessments will be undertaken as required.

**4. Impact on other services we provide:**

None identified

**5. Impact on staff:**

Resources to support the development and implementation of these proposals including the Parking Review have been made available by refocusing existing traffic engineering resources.

**6. Resources and support needed to make the change:**

None identified

**7. Timescale to deliver and major milestones:**

	Milestone	Date
	Review existing structures in Traffic Management and Parking Services and implement any changes	End Feb 2019
	Review chargeable services to ensure full cost recovery	End Feb 2019
	Commence Countywide Traffic and Parking review (key decision 21/12/18)	Jan 2019

**8. Risks and opportunities:**

Any risks and opportunities will be identified as an outcome of the area reviews described above.

**9. Dependencies:**

None.

**10. Initial Equality Impact Assessment:**

No not at this stage

**11. Consultation and Communications plan:**

There will be extensive consultations as part of each review.

**12. Legal Implications:**

All of the services delivered in Traffic Management, Parking and Road Safety are statutory duties. Under the Traffic Management Act 2004, if the authority fails to perform its duty to manage the highway network, the Department for Transport can appoint a traffic director to ensure that the duty is performed properly. The Local Authority will be expected to pay the full costs of this.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)? [N/A]

If no, when is the evidence expected? [ ]

Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£50,000	£50,000	-£	£100,000	One off but reassess following 19/20
2020/21	£	£	-£	£-100,000	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£</b>	<b>£</b>	<b>-£</b>	<b>£</b>	

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

# Proposal for Change

## ECI1920-19 - Further reduction in Road Safety and Transport Data service.

Corporate Plan Priority:	
Service Area:	Traffic Management and Road Safety
Director:	Alyn Jones (Lead Director – Paula Hewitt)
Strategic Manager	Bev Norman
SAP Node	EHDF

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
x	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>Reduce revenue costs by £150,000 in 2019/20 by reducing the Road Safety and Transport Data services towards a statutory minimum funded from SCC budgets. This is a 22% reduction of the total revenue budget.</p> <p>These savings will be achieved by reducing the money spent on road safety education, including events and data analysis as well as raising income to cover some of this activity through external sponsorship.</p> <p>Service delivery will be maintained to ensure compliance with the relevant statutory requirements (set out below).</p>	

2a. Confidence level	
90	%
<p>SCC has only very recently developed its Road Safety Strategy and part of SCC's commitment is to work with our partners to make every journey in Somerset Safer. With reduced revenue funding this is going to be very difficult for us to achieve. There is a commitment to adopt a Safer Systems approach to road safety in the County.</p>	

**3. Impact on residents, businesses and other organisations:**

There is a potential impact for all users of Somerset's highway network as a result of reduced road safety education not being as available; increased congestion as a result of delays caused by road traffic accidents; and increased costs to other partners and stakeholders i.e. emergency services.

**4. Impact on other services we provide:**

The road safety strategy has direct links to public health objectives associated with increasing activity levels. If roads are perceived to be less safe, then this impacts on the County Vision for promoting healthy residents. These activities could be supported through sponsorship and income generation.

**5. Impact on staff:**

A small number of posts might be lost and will be identified through a restructure at the appropriate time

The number of FTE that might be lost is:   
The number of posts that might be lost is:

**6. Resources and support needed to make the change:**

Income and sponsorship funding could help to offset some of this change, and to provide additional income to support service delivery.

**7. Timescale to deliver and major milestones:**

Implementation	1 <sup>st</sup> April 2019
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**8. Risks and opportunities:**

**Risks**

The reduction in road safety delivery risks could influence the number of people hurt in road collisions, including those fatally and seriously injured. Less data resources will make the team less responsive to requests for data including local communities, and for input into schemes and highway monitoring.

**Opportunity**

The road safety team are already planning to launch a sponsorship programme to try to support our work. Income through charging to be reviewed.  
A procurement exercise to cover the Transport Data database has been approved, as with less resources we need access to the most flexible, modern, easy to use, and best value system to enable the data to be accessed and manipulated with minimum input.

**9. Dependencies:**

None

**10. Initial Equality Impact Assessment:**

Yes – an EIA has been produced

**11. Consultation and Communications plan:**

No external consultation required in addition to general MTFP consultation.

## 12. Legal Implications:

While central government sets the regulatory framework for roads, vehicles and road users, and national road safety strategies, road safety delivery occurs primarily at the local level with Local Government being the lead delivery agent, working in partnership with many other agencies and stakeholders.

Local Authorities Local authorities have various statutory duties related to road safety:

The Road Traffic Act 1988 (Section 39) requires local authorities in Great Britain to

- take steps both to reduce and prevent accidents
- prepare and carry out a programme of measures designed to promote road safety
- carry out studies into accidents arising out of the use of vehicles on roads or part of roads, other than trunk roads, within their area
- take such measures as appear to the authority to be appropriate to prevent such accidents

The Road Traffic Regulation Act 1984 (Section 122) requires local authorities in Great Britain to

- to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians)

The Traffic Management Act 2004 (Section 16) requires local authorities in England and Wales to manage and maintain their road networks to

- secure the expeditious movement of traffic on, and the efficient use of, their road networks
- avoid, eliminate or reduce road congestion or other disruption to the movement of traffic on their road network or a road network for which another authority is the traffic authority.

We do not believe that a reduced service will affect SCC's ability to fulfil its statutory responsibility for Road Safety.

## 13a. Financial Implications – net change to service budget in each year:

Are the savings evidenced based (evidence should be included with this template)?

Yes

If no, when is evidence expected?

Please note: these figures should be cumulative

£'000's	Savings	Income Generated	Cost Involved (see also 13b)	Total	Ongoing or One-off?
2019/20	£150,000	£	-£	£150,000	ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
Total	£150,000	£	-£	£150,000	

<b>13b. One off project costs and income (not included in above):</b>		
<b>£'000's</b>	<b>N/A</b>	
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
<b>TOTAL</b>		<b>£</b>

# Somerset Equality Impact Assessment

<b>Organisation prepared for</b>	<b>Somerset County Council</b>		
<b>Version</b>	<b>1</b>	<b>Date Completed</b>	<b>2/11/18</b>
<b>Description of what is being impact assessed</b>			
<p><b>EC119 Reduce the budgets allocated to the Road Safety Trainer and Projects delivery of the road safety training and education.</b></p> <p>These budgets enable road safety education delivery to children, older road users and other vulnerable road users group such as motorcyclists and young drivers. Reduce Road Safety Project Support post to 10 hours. Total Saving £30,000. This a 50% reduction of the budget in these areas.</p>			
<b>Evidence</b>			
<b>What data/information have you used to assess how this policy/service might impact on protected groups?</b>			
<p>The Road Traffic Act states that local authorities must carry out studies into accidents arising out of the use of vehicles. The above are part of the team which leads the evidenced based approach to road safety delivery, which can demonstrate a reduction in people injured on Somerset's roads, particularly those killed and seriously injured.</p> <p>Any reduction in service will have an impact across all groups that use our highway network, including drivers, pedal cyclists, pedestrians, mobility scooter users, children, the elderly, and those with mobility impairments.</p> <p>The Road Safety Service currently deliver to around 30,000 people per year, some aspects generate income, as some programmes are performed for other authorities. If resources are reduced then this may not be feasible.</p> <p>Research has indicated that social deprivation is associated with increased injury and fatality levels in road traffic collisions, therefore Somerset residents living in deprived areas may suffer more under this proposal.</p> <p>The proposal could also impact on schools and education facilities for children and young people, as well as their parents and grandparents, and disabled people. Joint Strategic Needs Assessment highlights that children are affected by the physical environment in which they are brought up. <a href="http://www.somersetintelligence.org.uk/joint-strategic-needs-assessment-2015/16.pdf">http://www.somersetintelligence.org.uk/joint-strategic-needs-assessment-2015/16.pdf</a></p> <p>For example, some communities have been described as "obesogenic" – encouraging obesity and overweight in people who live there. This can be because exercise is difficult, with limited open space and sports facilities, including in schools. It may be difficult</p>			



to incorporate exercise into daily life in some communities; walking or cycling to school or playing in the street are far less attractive when traffic is busy and the infrastructure for pedestrians and cyclists is poor, or there are fears about unsafe travel. This could also lead to increased congestion and lower air quality if parents/carers decide to drive their children to school. The Somerset Children and Young People's Plan 2016-2019 highlights promoting healthy outcomes and giving children the best start in life. If people feel travel is less safe affecting the likelihood of cycling and walking.

**Who have you consulted with to assess possible impact on protected groups?**

There has been no specific consultation with affected groups. A local authority can determine how it delivers its service in this area. Consultation did take place earlier this year over the new Road Safety Strategy, this was supported by the respondents.

**Analysis of impact on protected groups**

Protected group	Summary of impact	Negative outcome	Neutral outcome	Positive outcome
<b>Age</b>	<ul style="list-style-type: none"> <li>Reduced ability to carry out road safety remedial education work. Older road users are the age group in our injury collision statistics which are currently not reducing in line with our target. There is a risk that this will lead to an increase in deaths and other injuries.</li> </ul>	☒	☐	☐
<b>Disability</b>	No significant impact identified	☒	☐	☐
<b>Gender reassignment</b>	No significant impact identified	☐	☒	☐
<b>Marriage and civil partnership</b>	No significant impact identified	☐	☒	☐

<b>Pregnancy and maternity</b>	No significant impact identified	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Race and ethnicity</b>	No significant impact identified	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Religion or belief</b>	No significant impact identified	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sex</b>	No significant impact identified	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Sexual orientation</b>	No significant impact identified	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Other, e.g. carers, veterans, homeless, low income, rurality/isolation, etc.</b>	<ul style="list-style-type: none"> <li>Those within the community who live in deprived areas are more likely to be involved in road injury collisions therefore this group could be affected by the reduced capacity in Road Safety Education.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Negative outcomes action plan</b>				
<b>Action taken/to be taken</b>	<b>Date</b>	<b>Person responsible</b>	<b>How will it be monitored?</b>	<b>Action complete</b>
Alternative funding sources will be sought	28/01/2019	Nick Cowling	Sponsorship will be recorded	<input type="checkbox"/>
<b>If negative impacts remain, please provide an explanation below.</b>				
It is not guaranteed that funding will be available.				

<b>Completed by:</b>	<b>Nick Cowling</b>
<b>Date</b>	<b>18/11/18</b>
<b>Signed off by:</b>	<b>Bev Norman</b>
<b>Date</b>	<b>3/12/18</b>
<b>Equality Lead/Manager sign off date:</b>	<b>3/12/18</b>
<b>To be reviewed by: (officer name)</b>	<b>Nick Cowling</b>
<b>Review date:</b>	<b>March 2019</b>

## Proposal for Change:

### ECI1920-20 - Rights of Way - reduction of Town & Village Green budget and reduction of Exmoor National Park Authority contribution

Corporate Plan Priority:	
Service Area:	ECI Operations - Highways
Director:	Alyn Jones (Lead Director – Paula Hewitt)
Strategic Manager	Andrew Turner
SAP Node	EHDCK

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p><b>Surrender Town &amp; Village Green budget of £15k for 2019/20</b></p> <p>A one-off in-year saving of £15k can be surrendered in relation to Town &amp; Village Green registrations. This would be the second year of surrendering this budget.</p> <p><b>Exmoor National Park Authority (ENPA) contribution – reduce by £5k</b></p> <p>The current contribution from the Council to ENPA for delivery of statutory functions in relation to rights of way is £28,046. It is proposed that this could be reduced by £5,000 to £23,046. This would be the second year of a reduction in the contribution.</p>

2a. Confidence level		
<table border="1"> <tr> <td>100</td> <td>%</td> </tr> </table> <p>Both savings are deliverable.</p>	100	%
100	%	

**3. Impact on residents, businesses and other organisations:**

Where there are Town & Village Green applications local inhabitants will possibly be denied access to the potential Greens. There is no guarantee that the applications will succeed. The oldest application dates from 2010. There are currently no applications that are holding up development.

The performance of ENPA in relation to rights of way may start to decline. They generally provide to a higher standard than the Council can afford to do across the rest of the County. Any decline in the 'ease of use' of ENP's rights of way may have an impact on tourism and local businesses.

**4. Impact on other services we provide:**

N/A

**5. Impact on staff:**

N/A

**6. Resources and support needed to make the change:**

N/A

**7. Timescale to deliver and major milestones:**

Milestone	Date
Inform ENPA of the reduction in revenue contribution.	Following MTFP decision

**8. Risks and opportunities:**

**Risks:**

Not processing a Town & Village Green application for 2 years running could lead to applicants having to wait up to 9 years and could lead to a claim of failing to process these applications under the Commons Act 2006 and/or a complaint to the Local Government Ombudsman. There are currently 6 applications awaiting determination.

Reducing the contribution to ENPA could lead to a decline in the accessibility of the rights of way and may have a knock-on effect on tourism linked to walking, riding and cycling.

**Opportunities:**

ENPA already has a volunteer workforce, and a further reduction in budget may be an opportunity for greater involvement of the volunteers in rights of way work. Businesses may also see it as an opportunity to help where they can.

ENPA also has an opportunity to bid for funding from the RoW capital budget in relation to capital rights of way works, subject to available allocation.

**9. Dependencies:**

N/A

**10. Initial Equality Impact Assessment:**

N/A

**11. Consultation and Communications plan:**

N/A

**12. Legal Implications:**

Following consultation with the ENPA it has been agreed that a 5k reduction will be implemented for 2019/20. The ENPA will continue to manage and maintain the relevant statutory functions in relation to Rights of Way without any significant implications to level of service. SCC is satisfied that adequate measures are in place in relation to Rights of Way

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?	
---------------------------------------	--

Please note: these figures should be cumulative

**Town & Village Green saving**

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£15,000	£0	-£0	£15,000	One off
2020/21	-£15,000	£0	-£0	-£15,000	
2021/22	£0	£0	-£0	£0	
2022/23	£0	£0	-£0	£0	
2023/24	£0	£0	-£0	£0	
<b>Total</b>	<b>£0</b>	<b>£0</b>	<b>-£0</b>	<b>£0</b>	

**ENPA contribution saving**

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£5,000	£0	-£0	£5,000	Ongoing
2020/21	£0	£0	-£0	£0	
2021/22	£0	£0	-£0	£0	
2022/23	£0	£0	-£0	£0	
2023/24	£0	£0	-£0	£0	
<b>Total</b>	<b>£20,000</b>	<b>£0</b>	<b>-£0</b>	<b>£20,000</b>	

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£

	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
	TOTAL	£

# Proposal for Change

## ECI1920-21 - Monmouth House Lease Surrender

Corporate Plan Priority:	
Service Area:	Corporate Property
Director:	Paula Hewitt
Strategic Manager:	Claire Lovett
SAP Node	EIJC

1. The proposal is to:	
X	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p><b>Monmouth House Lease Surrender</b></p> <p>Surrender of under-utilised lease of Monmouth House (leased in) and move of Somerset Waste Partnership to Broughton House (SCC owned property) with associated rental income.</p>

2a. Confidence level
<p>100%</p> <p>This change is already in the delivery phase, but securing the saving will depend upon the readiness of the new accommodation (works are required to make it ready for occupation) and the timing of the move.</p>

3. Impact on residents, businesses and other organisations:
<p>No impact on residents.</p> <p>There is clearly an impact on the Somerset Waste Partnership and we have been working closely with them to ensure the replacement accommodation is suitable.</p>



**4. Impact on other services we provide:**

None.

**5. Impact on staff:**

None

**6. Resources and support needed to make the change:**

None save property, legal and SWP staff in implementing the change. The majority of work in this respect has been completed and is therefore in the nature of sunk cost.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
Implementation		31 Jan 2019

**8. Risks and opportunities:**

N/A

**9. Dependencies:**

No dependencies on other teams – delivery is dependent upon getting the required works to the property completed on time

**10. Initial Equality Impact Assessment:**

Not relevant in this instance.

**11. Consultation and Communications plan:**

No.

**12. Legal Implications:**

N/A.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidence based (evidence should be included with this template)?	Yes (current costs saved and agreed rental to be paid)
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If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£90,000	£	-£	£90,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£90,000</b>	<b>£</b>	<b>-£</b>	<b>£90,000</b>	

<b>13b. One-off project costs and income (not included in above):</b>		
<b>£'000's</b>		
2019/20	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of Redundancy costs	-£0
	Estimate of Resource costs to deliver	-£0
	Sub-total	£0
2020/21	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
2021/22	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
<b>TOTAL</b>		<b>£0</b>

# Proposal for Change

## ECI1920-22 - Vacation of 1 The Crescent, Taunton

Corporate Plan Priority:	
Service Area:	Corporate Property
Director:	Paula Hewitt
Strategic Manager:	Claire Lovett
SAP Node	EIJL

1. The proposal is to:	
X	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<b>Vacation of 1 The Crescent, Taunton and Lease Surrender</b>
Surrender of lease of surplus building (leased in) and move of teams to underutilised first floor of Paul Street Library.

2a. Confidence level
100%
This change is already in the delivery phase, but securing the saving will depend upon the readiness of the property (works/activities are required to make it ready for occupation) and the timing of the move.
This proposal is about early delivery of savings identified through the A Block project.

3. Impact on residents, businesses and other organisations:
No impact on residents.
There is clearly an impact on the teams involved and we have been working closely with them and the Library Service to ensure a smooth transition.

**4. Impact on other services we provide:**

None.

**5. Impact on staff:**

N/A

**6. Resources and support needed to make the change:**

None save property, legal and service staff in implementing the change. The majority of work in this respect has been completed and is therefore in the nature of sunk cost.

**7. Timescale to deliver and major milestones:**

Milestone	Date
Implementation	1/4/2019

**8. Risks and opportunities:**

N/A

**9. Dependencies:**

No dependencies other than on those already directly engaged in the project.

**10. Initial Equality Impact Assessment:**

Not relevant in this instance.

**11. Consultation and Communications plan:**

No.

**12. Legal Implications:**

N/A.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidence based (evidence should be included with this template)?	Yes (current costs saved and agreed rental to be paid)
--	--

If no, when is the evidence expected?	N/A
---------------------------------------	-----

Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£85,000	£	-£	£85,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£85,000</b>	<b>£</b>	<b>-£</b>	<b>£85,000</b>	

<b>13b. One-off project costs and income (not included in above):</b>		
<b>£'000's</b>		
2019/20	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of Redundancy costs	-£0
	Estimate of Resource costs to deliver	-£0
	Sub-total	£0
2020/21	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
2021/22	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
<b>TOTAL</b>		<b>£0</b>

# Proposal for Change

## ECI1920-23 - New Rental Income

Corporate Plan Priority:	
Service Area:	Corporate Property
Director:	Paula Hewitt
Strategic Manager:	Claire Lovett
SAP Node	EIJHC

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
X	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p><b>New Rental Income for Production Kitchen</b></p> <p>This relates to rental for a production kitchen unit on the old St Augustine's site. The current tenant only paid rental based on profitability as a legacy of the Free School Meals project but has served notice. A new tenant/provider is being sought for the unit.</p>

2a. Confidence level
<p>60%</p> <p>There is a risk that no tenant or new provider can be found to take on the unit or that a deal is done which again relies on profitability and is therefore less assured. Our group is not in control of delivery.</p>

3. Impact on residents, businesses and other organisations:
None.

4. Impact on other services we provide:
None.

**5. Impact on staff:**

N/A

**6. Resources and support needed to make the change:**

Procurement and Childrens' have an input here as we understand a replacement provider is wanted, otherwise property would seek a tenant in the normal way.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
Implementation		August 2019

**8. Risks and opportunities:**

N/A

**9. Dependencies:**

Procurement/Education input/delivery needed – further discussion required.

**10. Initial Equality Impact Assessment:**

Not relevant in this instance.

**11. Consultation and Communications plan:**

No.

**12. Legal Implications:**

N/A.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidence based (evidence should be included with this template)?	Yes
If no, when is the evidence expected?	N/A

Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£	£20,000	-£	£20,000	One-off
2020/21	£	£-20,000	-£	£-20,000	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£</b>	<b>£</b>	<b>-£</b>	<b>£</b>	

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of Redundancy costs	-£0
	Estimate of Resource costs to deliver	-£0
	Sub-total	£0

2020/21	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
2021/22	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
TOTAL		£0



# Proposal for Change:

## ECI1920-24 – Staff Restructure

Corporate Plan Priority:	
Service Area:	Corporate Property
Director:	Paula Hewitt
Strategic Manager	Claire Lovett
SAP Node	EIJJB

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p><b>Restructure</b></p> <p>Loss of Apprentice Role – as an apprenticeship in our Estates Team comes to an end, this proposal would involve removing that post from the structure and covering those functions previously carried out by the apprentice through re-distribution of those functions among the remaining team and re-prioritisation of other tasks.</p>

2a. Confidence level
100 %

3. Impact on residents, businesses and other organisations:
None

4. Impact on other services we provide:
None

5. Impact on staff:
<p>The number of FTE that might be lost is: 1</p> <p>The number of posts that might be lost is: 1</p>

**6. Resources and support needed to make the change:**

Finance and HR advice required

**7. Timescale to deliver and major milestones:**

Milestone	Date
Implementation date	Jan 2019

**8. Risks and opportunities:**

Loss of staff in Estate and CHSU may have compliance implications and make it more likely that Health and Safety risks are less closely managed.

**9. Dependencies:**

None

**10. Initial Equality Impact Assessment:**

Not in this instance

**11. Consultation and Communications plan:**

No

**12. Legal Implications:**

None

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidenced based (evidence should be included with this template)? Yes

If no, when is the evidence expected?

Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£13,000	£	-£	£13,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£13,000</b>	<b>£</b>	<b>-£</b>	<b>£13,000</b>	

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£

	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
	TOTAL	£

# Proposal for Change:

## ECI1920-24a – Staff restructure

Corporate Plan Priority:	
Service Area:	Property Services
Director:	Paula Hewitt
Strategic Manager	Claire Lovett
SAP Node	EIJM

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
Flexible Retirement – following discussions with one member of staff, there has been an application for flexible retirement which would see a full time post reduced to 3/5.

2a. Confidence level
60 % Further work is needed on viability and service impact and the flexible retirement in particular will need to be agreed with input required from the individual, Finance and HR.

3. Impact on residents, businesses and other organisations:
None

4. Impact on other services we provide:
We will be less able to respond to enquiries from other services, Members partners and the public. We will be asking other members of staff to take on more.

<b>5. Impact on staff:</b>	
<i>The number of FTE that might be lost is:</i>	0.4
<i>The number of posts that might be lost is:</i>	0.4

<b>6. Resources and support needed to make the change:</b>
Finance and HR advice and agreement needed.

<b>7. Timescale to deliver and major milestones:</b>	
Milestone	Date
Implementation date	Oct 2019

<b>8. Risks and opportunities:</b>
Losses of staff in Estate and CHSU may have compliance implications and make it more likely that Health and Safety risks are less closely managed.

<b>9. Dependencies:</b>
Figures for flexible retirement awaited.

<b>10. Initial Equality Impact Assessment:</b>
Not relevant in this instance

<b>11. Consultation and Communications plan:</b>
No

<b>12. Legal Implications:</b>
N/A

<b>13a. Financial Savings – net change to service budget in each year:</b>					
Are the savings evidenced based (evidence should be included with this template)?			Yes – although validation of figures awaited		
If no, when is the evidence expected?			Enter date		
Please note: these figures should be cumulative					
£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£10,000	£	-£	£10,000	Ongoing
2020/21	£10,000	£	-£	£10,000	Ongoing
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£20,000</b>	<b>£</b>	<b>-£</b>	<b>£20,000</b>	

<b>13b. One-off project costs and income (not included in above):</b>		
<b>£'000's</b>		
2019/20	Capital Costs	-£
	Capital Receipts	£

	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
	TOTAL	£

# Proposal for Change

## ECI1920-25 - Corporate Landlord

Corporate Plan Priority:	
Service Area:	Corporate Property
Director:	Paula Hewitt
Strategic Manager:	Claire Lovett
SAP Node	EIJHA

1. The proposal is to:	
X	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
X	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p><b>Corporate Landlord</b></p> <p>This proposal relates to the new Corporate Landlord model for delivering property and asset management, whereby responsibility for our property assets passes to the Corporate Property Group allowing for a consistent and joined up approach to all property matters and enabling savings from rationalisation, increased utilisation and economies of scale.</p>

2a. Confidence level
<p>70%</p> <p>A key dependency for this proposal is the centralisation of property and FM budgets due to take place from April 2019. Work continues on identifying the relevant budgets and ensuring all expenditure and income is identified to avoid built in overspends.</p> <p>Further work is required to determine the details of delivery and source of savings.</p>

3. Impact on residents, businesses and other organisations:
<p>The County Council remain committed to meeting its duties under the reasonable adjustment elements of the Equality Act 2010</p>

**4. Impact on other services we provide:**

None anticipated at present.

**5. Impact on staff:**

None

The County Council remain committed to meeting its duties under the reasonable adjustment elements of the Equality Act 2010

**6. Resources and support needed to make the change:**

Finance support and input from services needed.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
Completion of budget review and establishment of shadow budgets		30/11/18
Implementation date for Corporate Landlord Model		01/04/19
Detailed savings plan in place		30/06/19

**8. Risks and opportunities:**

None identified at present.

**9. Dependencies:**

Continued SLT support for implementation across the board.

**10. Initial Equality Impact Assessment:**

No not at present.

**11. Consultation and Communications plan:**

No.

**12. Legal Implications:**

N/A.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidence based (evidence should be included with this template)?	Not yet (see above)
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If no, when is the evidence expected?	April to June 2019
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Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£50,000	£	-£	£50,000	Ongoing
2020/21	£	£	-£	£	



2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£50,000</b>	<b>£</b>	<b>-£</b>	<b>£50,000</b>	

<b>13b. One-off project costs and income (not included in above):</b>		
<b>£'000's</b>		
2019/20	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of Redundancy costs	-£0
	Estimate of Resource costs to deliver	-£0
	Sub-total	£0
2020/21	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
2021/22	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
<b>TOTAL</b>		<b>£0</b>

# Proposal for Change

## ECI1920-26 - Reprographics Review

Corporate Plan Priority:	
Service Area:	Corporate Property
Director:	Paula Hewitt
Strategic Manager:	Claire Lovett
SAP Node	EIJLBF

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
X	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<b>Reprographics Review</b>	
<p>New model of operations for Reprographics being proposed involving reduced reliance on high cost per click in-house options and reduced overhead.</p> <ul style="list-style-type: none"> <li>Relocate two Multi-functional devices (MFDs) with full colour enabled from elsewhere in County Hall to Reprographics to be used for small-scale print jobs and terminate the lease (3 months' notice) on two large-scale Xerox machines.</li> <li>Reprographics to act as a broker for print/finish jobs, outsourcing when print quality and/or price is better than in-house.</li> <li>Set up a dynamic procurement system or increased number of approved external suppliers to 'bid' for each print job Review job descriptions for two posts in Reprographics.</li> <li>Review job descriptions for two posts in Reprographics.</li> </ul>	

2a. Confidence level	
	70%

**3. Impact on residents, businesses and other organisations:**

None anticipated at present.

**4. Impact on other services we provide:**

None anticipated at present.

**5. Impact on staff:**

No impacts identified at this time.

**6. Resources and support needed to make the change:**

Finance support needed for further validation work. Procurement already providing support to review.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
Implementation		Jul 2019

**8. Risks and opportunities:**

None identified at present.

**9. Dependencies:**

Support of all services

**10. Initial Equality Impact Assessment:**

Not relevant in this instance.

**11. Consultation and Communications plan:**

No.

**12. Legal Implications:**

N/A.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidence based (evidence should be included with this template)?	Not yet (see above)
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If no, when is the evidence expected?	December 2018
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Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£25,000	£	-£	£25,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	

<b>Total</b>	<b>£25,000</b>	<b>£</b>	<b>-£</b>	<b>£25,000</b>	
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<b>13b. One-off project costs and income (not included in above):</b>		
<b>£'000's</b>		
2019/20	Capital Costs	<b>-£0</b>
	Capital Receipts	£0
	Estimate of Redundancy costs	<b>-£0</b>
	Estimate of Resource costs to deliver	<b>-£0</b>
	Sub-total	£0
2020/21	Capital Costs	<b>-£0</b>
	Capital Receipts	£0
	Estimate of redundancy costs	<b>-£0</b>
	Estimate of resource costs to deliver	<b>-£0</b>
	Sub-total	£0
2021/22	Capital Costs	<b>-£0</b>
	Capital Receipts	£0
	Estimate of redundancy costs	<b>-£0</b>
	Estimate of resource costs to deliver	<b>-£0</b>
	Sub-total	£0
<b>TOTAL</b>		<b>£0</b>

# Proposal for Change

## ECI1920-27 - Beckett House

Corporate Plan Priority:	
Service Area:	Corporate Property
Director:	Paula Hewitt
Strategic Manager:	Claire Lovett
SAP Node	EIJC

1. The proposal is to:	
X	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
X	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<p><b>Beckett House, Williton</b></p> <p>Savings expected from current running costs assuming new use or disposal – options currently being explored include possible re-use as enterprise centre which could generate income, but this may not hit property budgets and so this proposal relates only to the small annual running costs currently picked up within our group, which would either be passed to tenants or reassigned as the property is disposed of. This proposal will require the relocation of the Registration Service.</p>

2a. Confidence level
<p>70%</p> <p>Further work is required to determine the details of delivery and source of savings and it is simply too early to be more confident.</p>

3. Impact on residents, businesses and other organisations:
None anticipated at present.

4. Impact on other services we provide:
Possible impacts on Registration Service and Economic Development.

**5. Impact on staff:**

N/A

**6. Resources and support needed to make the change:**

Further discussions needed with affected services.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
Implementation		Oct 2019

**8. Risks and opportunities:**

None identified at present.

**9. Dependencies:**

None identified at present.

**10. Initial Equality Impact Assessment:**

Not relevant in this instance.

**11. Consultation and Communications plan:**

No.

**12. Legal Implications:**

N/A.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidence based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?	
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Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£3,000	£	-£	£3,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£3,000</b>	<b>£</b>	<b>-£</b>	<b>£3,000</b>	

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of Redundancy costs	-£0

	Estimate of Resource costs to deliver	-£0
	Sub-total	£0
2020/21	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
2021/22	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
	TOTAL	£0

# Proposal for Change

## ECI1920-28 - Dr Morgan's School Site

Corporate Plan Priority:	
Service Area:	Corporate Property
Director:	Paula Hewitt
Strategic Manager:	Claire Lovett
SAP Node	EIJLBB

1. The proposal is to:	
X	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<b>Dr Morgan's School Site, Bridgwater</b>
Savings expected from current running costs assuming disposal by October 2019. This proposal relies on the planned relocation of the Libraries West operation to new more suitable premises. This project is well underway.

2a. Confidence level
60%
The project to relocate the current occupying services is well underway, but delivery is not yet certain and further work is needed to confirm both the level of savings and timing of the disposal which is reliant upon finding a buyer.

3. Impact on residents, businesses and other organisations:
None anticipated at present.

4. Impact on other services we provide:
None other than in relation to the relocation of services.



**5. Impact on staff:**

N/A

**6. Resources and support needed to make the change:**

Further discussions needed with affected services. Legal support regarding disposal and new lease arrangements.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
Implementation		July 2019

**8. Risks and opportunities:**

Market risks for disposal.

**9. Dependencies:**

Completion of new lease.

**10. Initial Equality Impact Assessment:**

Not relevant in this instance.

**11. Consultation and Communications plan:**

No.

**12. Legal Implications:**

N/A.

**13a. Financial Savings – net change to service budget in each year:**

Are the savings evidence based (evidence should be included with this template)?

Yes

If no, when is the evidence expected?

Please note: these figures should be cumulative

£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£10,000	£	-£	£10,000	Ongoing
2020/21	£10,000	£	-£	£10,000	Ongoing
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£20,000</b>	<b>£</b>	<b>-£</b>	<b>£20,000</b>	

**13b. One-off project costs and income (not included in above):**

£'000's		
2019/20	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of Redundancy costs	-£0

	Estimate of Resource costs to deliver	-£0
	Sub-total	£0
2020/21	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
2021/22	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
	TOTAL	£0

# Proposal for Change

## ECI1920-29 - Health and Safety System Replacement

Corporate Plan Priority:	
Service Area:	Corporate Property
Director:	Paula Hewitt
Strategic Manager:	Claire Lovett
SAP Node	EIJM

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
<b>Health and Safety System Replacement</b>
Savings secured through procurement of new supplier for Health and Safety management system. Implementation took place in 18/19 with savings only to be realised in 19/20 due to mobilisation costs.

2a. Confidence level
100%

3. Impact on residents, businesses and other organisations:
None.

4. Impact on other services we provide:
None.

5. Impact on staff:
N/A

6. Resources and support needed to make the change:
None.

<b>7. Timescale to deliver and major milestones:</b>	
Milestone	Date
Implementation	April 2019

<b>8. Risks and opportunities:</b>
None.

<b>9. Dependencies:</b>
None identified at present.

<b>10. Initial Equality Impact Assessment:</b>
Not relevant in this instance.

<b>11. Consultation and Communications plan:</b>
No.

<b>12. Legal Implications:</b>
N/A.

<b>13a. Financial Savings – net change to service budget in each year:</b>					
Are the savings evidence based (evidence should be included with this template)?					Yes
If no, when is the evidence expected?					
Please note: these figures should be cumulative					
£'s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£20,000	£	-£	£20,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
<b>Total</b>	<b>£20,000</b>	<b>£</b>	<b>-£</b>	<b>£20,000</b>	

<b>13b. One-off project costs and income (not included in above):</b>		
£'000's		
2019/20	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of Redundancy costs	-£0
	Estimate of Resource costs to deliver	-£0
	Sub-total	£0
2020/21	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0

2021/22	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
	TOTAL	£0

## Proposal for Change: ECI1920-33 - Economic Development savings

Corporate Plan Priority:	
Service Area:	Economic and Community Infrastructure
Director:	Michele Cusack (Lead Director Paula Hewitt)
Strategic Manager	Paul Hickson
SAP Node	EEA

1. The proposal is to:	
	<b>Managing Demand</b> - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	<b>Increasing Productivity</b> - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
Y	<b>Service Delivery Models</b> - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	<b>Reductions in Services</b> - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p><b>Economic Development savings</b> - this proposal includes the following two elements to enable a reduction in the net revenue base budget allocation by SCC for economic development from 2019/20:</p> <ol style="list-style-type: none"> <li> <p><b>Fund SCC's contribution to the annual programme management costs of the Connecting Devon and Somerset programme through the use of capital receipts flexibility</b> – Connecting Devon and Somerset is a major infrastructure programme designed to enable the roll-out of superfast broadband infrastructure in areas where the market will not provide this. Due to the scale and “step change” nature of the Connecting Devon and Somerset programme (enabling greater digital service delivery in communities and greater digital access to services), there is scope to finance all of SCC's share of these programme management costs for the remaining delivery period of this transformational programme via capital receipts flexibilities. It is estimated that the programme will need to run for a further two financial years (2019/20 and 2020/21) need coverage of these costs via capital receipts for this period. <b>This would enable a £180,000 pa reduction in revenue budget provision for economic development.</b></p> </li> <li> <p><b>Public Health funding of inclusive growth outcomes via economic development</b> – Deployment of part of SCC's public health grant to facilitate</p> </li> </ol>	

SCC's economic development service to develop evidence and focus strategic and commissioning capacity on inclusive growth approaches in line with the emphasis on this agenda in the Heart of the South West productivity strategy and Somerset improving lives strategy. Scope has been identified to allocate £50,000 of SCC's public health grant for this purpose in 2019/20. **This would enable an on-going £50,000 revenue budget saving in economic development in 2019/20.**

**2a. Confidence level**

100 %

Subject to the confirmation of the availability of funds via capital receipts and deployment of public health grant these proposals are deliverable.

**3. Impact on residents, businesses and other organisations:**

There are no significant impacts for businesses, residents or other organisations resulting from these proposals.

**4. Impact on other services we provide:**

**Corporate/cross service impacts:**

1. Need for SCC to generate sufficient annual capital receipts for the remainder of the Connecting Devon and Somerset programme to ensure that its programme management costs can be financed via capital receipts flexibilities. The current expectation is that the period of this requirement will be the 2019/20 and 2020/21 financial years.

**Service level impacts:**

1. Public Health – greater linkages in evidence base, strategy and resulting commissioning priorities between economic development and public health. This will have positive impacts given that levels of individual economic well-being and opportunity are determinants of public health and because improvements in the health of the workforce contribute to improvements in business productivity.

**5. Impact on staff:**

No significant impacts on staff

**6. Resources and support needed to make the change:**

ECI Director and Finance Director level support to ensuring that capital receipts are applied to financing SCC's contribution to the programme management costs of the Connecting Devon and Somerset programme until it is completed.

**7. Timescale to deliver and major milestones:**

	Milestone	Date
Identification of means to deliver revenue funded savings related to economic development expenditure		October 2018

Drafting and finalisation of change proposal documentation	October/November 2018
Decision to implement revenue funded savings associated with this change proposal	December 2018
Implementation of revenue funded savings effective	April 2019

#### **8. Risks and opportunities:**

##### **Risks**

1. **Financial risk – insufficient capital receipts generated by SCC to finance the annual Connecting Devon and Somerset programme management costs.** This is considered a low level risk as these programme management costs do not necessitate a large amount of capital receipts being generated

##### **Opportunities**

1. **Strategic opportunity** – increased levels of corporate working between SCC economic development and public health services. Planning and delivery of this saving is a catalyst to the development of closer collaborative working between public health and economic development, particularly linked to the pursuit of more inclusive outcomes from economic growth.

#### **9. Dependencies:**

Delivery of this saving dependent on SCC generating sufficient capital receipts to finance Connecting Devon and Somerset programme management costs in its remaining period.

Interdependency with SCC public health commissioning and improving lives strategy for realisation of part of this saving.

#### **10. Initial Equality Impact Assessment:**

Not identified as being required.

#### **11. Consultation and Communications plan:**

1. No statutory consultation requirements associated with this proposal.
2. No external consultations or communications necessary for this proposal as no impacts upon SCC's partners and stakeholders
3. There will be a need to accompany the public health grant deployment element of this saving with communications to economic development staff so that the associated focus on inclusive growth outcomes is understood and given appropriate focus in work programmes.

#### **12. Legal Implications:**

1. No legal implications associated with this proposal.

#### **13a. Financial Implications – net change to service budget in each year:**



Are the savings evidenced based? (evidence should be included in the proforma)?				Yes	
If no, when is evidence expected?				N/A	
Please note: these figures should be cumulative					
£'s	Savings	Income Generated	Cost Involved (see also 13b)	Total	Ongoing or One-off?
2019/20	£230,000	£	-£	£230,000	Ongoing
2020/21	£	£	-£	£	
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
Total	£230,000	£	-£	£230,000	Ongoing

<b>13b. One off project costs and income (not included in above):</b>		
<b>£'000's</b>		
2019/20	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£
	Sub-total	£0
2020/21	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
2021/22	Capital Costs	-£0
	Capital Receipts	£0
	Estimate of redundancy costs	-£0
	Estimate of resource costs to deliver	-£0
	Sub-total	£0
<b>TOTAL</b>		<b>£0</b>

## Appendix F

### Use of Capital Receipts Flexibility 2016/17-18/19

Using the powers under the Governments' guidance on the flexible use of capital receipts, the table below summarises the business cases for initiatives which have applied capital receipts to fund revenue expenditure:

Description of project and aims	Qualifying Expenditure	Expenditure 2016/17-2018/19
		£000
LD - Supporting the transformation of the Learning Disability service as part of the externalisation to the Dimensions social enterprise.	Costs to undertake the necessary work to create the new social enterprise and provide support as required once it begins operation, including costs of reducing staffing numbers. (as per Council paper July 2016)	6,078
Corporate Change Programme – work to support a number of transformation projects across the authority as part of the Core Council Programme, including the Financial Imperative Programme to reduce budget.	Staff time	4,971
ICT transformation – a number of projects to upgrade SCC's systems and networks to improve efficiency and support the Technology and People (TAP) programme.	Staff time and system development	1,852
Broadband – the Connecting Devon and Somerset programme to bring high-speed broadband connectivity to communities and businesses to rural areas that are not deemed commercially viable by providers. The aim is to increase business relocation and activity within Somerset – improving Business Rates and Council Tax yields.	Project management, technical assurance and similar delivery costs that are not included within the grant agreements with BDUK / MHCLG.	201
Libraries – the review of the current service and proposals for future delivery and redesign, as reported to the Cabinet October 2018.	Staff time, consultations and community events, including time to analyse data and feedback. Support from legal, finance and property leads.	265
Registration – to make the service more accessible electronically and to reduce administrative activity in the future.	Development of new system.	30

Leisure decommissioning – the project to consider the end of the 1610 contract and transfer of sites / provision to schools, to consider any future provision. The aim is reduced direct costs of provision falling on SCC.	Staff time to consider options and consult with schools and academies about taking on assets and leisure provision.	49
Corporate affairs – 5 transformational posts within Customers and Communities to make future savings, and to improve communications channels and customer experience.	Staff time	154
Property – a number of development projects across the Council’s estate to rationalise the property usage / support the asset strategy, including A Block at County Hall.	Staff time	206
Children’s Fund Support Services (FSS) – improvements to the service delivery of Early Help/ getset and a focus on reducing the need to occupy a number of getset buildings.	Staff time	118
Adopt South West regional adoption agency (RAA) – the launch of a new partnership agency aimed at improving the adoption process through more efficient matching and family finding, coordinated adopter recruitment and a consistent offer of adoption support.	Staff time to ensure setup of the agency and the transition to the new way of working could be effectively achieved.	50
ECI commissioning – to develop the approach to future commissioning of services, to improve the Value For Money that can be delivered and to produce future savings from, e.g. re-procurement exercises.	Staff time	25
Community governance – Cabinet member for Education and Transformation involvement in work on transformational activity.	Member time	6.5
Redundancy costs – in some instances reducing the numbers of staff employed to achieve the reform of services may require severance payments and compensation to the Pension fund for the cost savings to be achieved.	Severance payments and for members of the Pension fund, pension fund strain payments made to the fund	1,000 + 1,000 (additional MTFP sale + 18/19 base budget)

**Proposed use of Capital Receipts Flexibility for MTFP (2019-22)**

Using the powers under the governments' guidance on the flexible use of capital receipts, the table below summarises the initiatives to which capital receipts are planned to be applied to fund the revenue expenditure subject to development of robust business cases.

These business cases will demonstrate that: the initiative will generate future savings or reduce future costs, and the costs being funded are implementation or set up costs and not on-going operational costs. The robustness of business cases will be reviewed by March 2019.

<b>Description of project and aims</b>	<b>Qualifying Expenditure</b>	<b>Amount of expenditure MTFP (2019-22)</b>	<b>Savings Forecast (note 1)</b>	<b>Payback period</b>
		£000	£000	Years
Supporting the transformation of the Learning Disability service as part of the externalisation to Dimensions social enterprise.	Costs to undertake the necessary work to create the new social enterprise and provide support as required once it begins operation, including costs of reducing staffing numbers. (as per Council paper July 2016)	624	Service redesign	
Corporate Change Programme - work to support a number of transformation projects across the authority as part of the Core Council Programme, including the Financial Imperative Programme to reduce budget.	The Corporate Change Programme will provide savings in 2 ways: i) by running the Financial Imperative Programme to provide budget savings across the whole Council and ii) by assisting on individual transformational projects	3,018	i) circa £15m planned in 2019/20 alone.  ii) values depend on individual projects supported.	Less than 1 year.
ICT - a number of projects to upgrade SCC's systems and networks to improve efficiency	Staff time	660	£690K in a full year (See saving CORP19/20 – 12)	Less than 1 full year
Broadband - the Connecting Devon and Somerset programme	Project management, technical assurance and similar delivery	1,143	Difficult to estimate exact impact of the	

to bring high-spend broadband connectivity to communities and businesses to rural areas that are not deemed commercially viable by providers. The aim is to increase business relocation and activity within Somerset – improving Business Rates and Council Tax yields.	costs that are not included within the grant agreements with BDUK / MHCLG.  Suitable Broadband connectivity was identified by central government as the greatest barrier to business growth.		programme on business relocation, household growth and therefore Business Rates and Council Tax yields.	
Corporate affairs - 5 transformational posts within Customers and Communities to make future savings, and to improve communications channels and customer experience.	Staff time	462	(CORP19/20-16)	
Property - a number of development projects across the Council's estate to rationalise the property usage / support the asset strategy, including A Block at County Hall.	Staff time	618	Over £700k per annum from County Hall A Block Business Case / Taunton rationalisation alone (see Business Case – Cabinet December 2018).  Additional savings will come from further property rationalisation projects.	Less than 1 full year when completed.
ECI commissioning - to develop the approach to future commissioning of services, to improve the Value For Money that can be delivered and to produce future savings from, e.g. re-	Staff time	211	Depends on individual commissioning activity in any given year (See ECI 19/20-15).	

procurement exercises.				
Libraries - the completion of the project with the implementation delivery of the agreed new service model as agreed by Cabinet October 2018.	Staff time and support for new service provision	65	£323k in a full year (see Cabinet report 5 <sup>th</sup> November 2018)	Less than 1 year when fully implemented.
Community governance - Cabinet member for Education and Transformation involvement in work on transformational activity.	Member time	28	Depends on individual transformational activities in any given year (see DS02)	
Children's Fund Support Services (FSS) – improvements to the service delivery of Early Help/ getset and a focus on reducing the need to occupy a number of getset buildings.	Staff time	55	Saving costs targeted to be achieved from reduced running and maintenance	
<b>MTFP (2019/22) Total</b>		<b>6,885</b>		

*Note 1: in most instances the on-going savings are not solely dependent upon this additional investment. The focus of other existing resources will be required to ensure delivery of savings.*

# Appendix I

## Government Grants 2019/20 - 2021/22

This table sets out the Government Grants included in the Councils MTFP. It must be noted that for 2020/21 and 2021/22 there is no certainty about value in the absence of a Spending Review beyond 2019/20. These will not be confirmed for some time.

Type of Grant	2019/20 £m	2020/21 £m	2021/22 £m
<b><u>Special (Non-Specific):</u></b>			
Lead Local Flood Authority	0.076	0.080	0.084
Inshore Fisheries Conservation Authority	0.132	-	-
Extended Rights to Free Travel	0.367	0.349	0.332
New Homes Bonus	2.390	2.034	1.779
Local Reform and Community Voices	0.321	0.305	0.290
S31 Business Rates Cap (NDR relief)	8.835	1.785	1.821
Rural Services Delivery Grant	-	1.928	1.928
Social Care Support Grant	4.267	-	-
Brexit Preparation	0.087	-	-
<b><u>Service Specific:</u></b>			
Dedicated Schools Grant (H)	210.000	202.500	197.500
Dedicated Schools Grant (EDB)	40.873	40.873	40.873
Pupil Premium Grant	9.300	9.000	8.800
Music Education Grant	0.663	0.663	0.663
Sixth Form Funding (S6F)	1.770	1.575	1.575
Primary PE and Sports Grant	2.750	2.700	2.650
Troubled Families	1.228	-	-
School Improvement, Brokering and Monitoring Grant	0.617	0.617	0.617
Year 7 Catch Up premium grant	0.115	0.100	0.070
Universal Infants Free School Meals	3.900	3.825	3.750
Opportunity Areas	2.150	2.150	2.150
School Centred Initial Teacher Training (SCITT)	0.480	0.480	0.480
DFE Rough Sleepers Strategy	0.048	0.048	0.048

DOE Ext Personal Adviser Duty Implementation Grant	0.025	0.025	0.025
DOE Staying Put	0.140	0.140	0.140
Improved Better Care Fund	20.188	20.188	20.188
Winter Funding	2.498	2.498	2.498
Public Health	20.176	20.176	20.176
LEP - Start Up Fund	0.700	0.700	0.700
LEP - Growth Hub	0.320	0.320	0.320
Step Up Social Work	1.849	1.849	1.849
DEFRA - AONB & LARC	0.363	0.366	0.368
Bus Service Operators Grant	0.454	0.454	0.454
Building Schools for the Future contributions	2.534	2.534	2.534
Police & Crime Panel	0.070	0.070	0.070
Bikeability Grant	0.050	0.050	0.050
LARC	0.040	0.040	0.040
LEP (Econ DEV)	0.010	0.010	0.010
<b>TOTAL</b>	<b>332.614</b>	<b>320.432</b>	<b>314.832</b>
<i>Of which:</i>			
<b>Confirmed (some with value assumptions)</b>	<b>330.439</b>	<b>263.969</b>	<b>258.523</b>
<b>Estimated</b>	<b>9.347</b>	<b>56.463</b>	<b>56.309</b>
	<b>339.786</b>	<b>320.432</b>	<b>314.832</b>



Appendix J

Earmarked Reserves – description and projected balance up to 31 March 2022

Name of Reserve	Description	Balance - as at 1 April 2019 (£m)	2019/20 Planned Use (£m)	Balance - as at 1 April 2020 (£m)	2020/21 Planned Use (£m)	Balance - as at 1 April 2021 (£m)	2021/22 Planned Use (£m)	Balance - as at 31 March 2022 (£m)
BSF Bridgwater Equaliation Reserve	Set aside to meet future contract costs of the authorities PFI schools in Bridgwater. The reserve has been put aside by previous years underspends.	5.713	0.000	5.713	0.000	5.713	0.000	5.713
Insurance Fund Reserve	As the authority largely self-insures, this reserve has been set aside for Incurred But Not Reported (IBNR), MMI levy and other insurance related balances that the broker has recommended we need to hold against a variety of exposures.	3.765	0.704	4.469	0.601	5.070	0.601	5.671
Somerset Rivers Authority	Relates to unspent SRA funding (interim and local partner funding). This is not ours to use, must be approved by SRA Board.	3.049	-0.130	2.919	-0.130	2.789	-0.130	2.659
Reserves for capital purposes	Set aside to meet the revenue costs of the authorities capital projects	2.695	0.000	2.695	0.000	2.695	0.000	2.695
Local Enterprise Partnership (LEP)	Set aside to meet the future operational costs of the Heart of the South West Local Enterprise Partnership (of which SCC are the administering body). The fund is controlled by the LEP so is not available for the authority to utilise.	2.465	0.000	2.465	0.000	2.465	0.000	2.465
Public Health Earmarked	Ring-fenced underspends from the authorities Public Health budget. Only available for Public health related expenditure.	1.357	-1.357	0.000	0.000	0.000	0.000	0.000

Name of Reserve	Description	Balance - as at 1 April 2019 (£m)	2019/20 Planned Use (£m)	Balance - as at 1 April 2020 (£m)	2020/21 Planned Use (£m)	Balance - as at 1 April 2021 (£m)	2021/22 Planned Use (£m)	Balance - as at 31 March 2022 (£m)
Environment Commuted Sums Reserve	Consists of developer payments for highways maintenance liabilities that are drawn down when conditions have been met	1.027	0.089	1.116	0.089	1.205	0.089	1.294
West Somerset Opportunity Area (NEW)	3 year programme funded by the DfE. Decision in January 2018 for all current and future grant funding to be allocated to the WSOA delivery plan	0.771	-0.771	0.000	0.000	0.000	0.000	0.000
Operating Account - SSE	The cumulative surpluses/deficits of the authorities trading accounts (Support Services for Education (SSE)).	0.717	0.000	0.717	0.000	0.717	0.000	0.717
Supply Mutual Fund Reserve	This is a scheme run by Insurance for maintained schools to cover the costs of supply teachers for schools that buy in. At the end of each academic year, the current scheme requires the balance to be returned to schools who have not claimed above their contribution level. Therefore, this is not ours to use.	0.524	0.000	0.524	0.000	0.524	0.000	0.524
S106 funds	Relates to interest earned on developers s106 contributions. Not available for the authority to utilise as the funds are repayable to the developer.	0.475	0.203	0.678	0.202	0.880	0.203	1.083
Invest to Save Fund	Set aside to fund efficiency projects within the authority	0.367	2.852	3.219	0.000	3.219	0.000	3.219
Central Schools Budget - Compact	Planned under spend to be used to reduce the pressure on the High Needs budget, and support strategic initiatives with Schools Forum support	0.335	-0.250	0.085	0.000	0.085	0.000	0.085
Economic Development Fund	Funds Economic Development activity that is not capitalisable, or contributes to specific capital projects. This balance is committed to iAero project, and without	0.331	-0.131	0.200	-0.100	0.100	-0.100	0.000

	this amount the high profile project and significant match funding would be lost							
SWP - WDA	Funds set aside within the Somerset Waste Partnership and approved by the Somerset Waste Board pooled budget for various projects	<b>0.301</b>	-0.182	<b>0.119</b>	0.000	<b>0.119</b>	0.000	<b>0.119</b>
Elections	Set aside to smooth the cost of elections (every 4 years) into an equal amount each year.	<b>0.295</b>	0.253	<b>0.548</b>	0.253	<b>0.801</b>	-1.022	<b>-0.221</b>
Flood Recovery & 20 year plan	Money awarded to SCC after the flooding for remedial and preventative measures (some amounts held by SRA). Ring-fenced to certain works and geographical locations.	<b>0.165</b>	-0.165	<b>0.000</b>	0.000	<b>0.000</b>	0.000	<b>0.000</b>
Somerset Drug & Alcohol	Used to offset ongoing pressures. Pooled budget with partner agencies.	<b>0.126</b>	-0.126	<b>0.000</b>	0.000	<b>0.000</b>	0.000	<b>0.000</b>
Futures for Somerset	Futures for Somerset pay a premium on top of reimbursing SCC for seconded staff payroll. This reserve will cover any redundancy costs of those staff whilst in the employ of Futures for Somerset.	<b>0.105</b>	0.000	<b>0.105</b>	0.000	<b>0.105</b>	0.000	<b>0.105</b>
Total Transport Pilot Fund	Ring-fenced funding for a number of specific transport projects.	<b>0.074</b>	-0.074	<b>0.000</b>	0.000	<b>0.000</b>	0.000	<b>0.000</b>
Superfast Broadband	Set aside to fund the authorities Connecting Devon & Somerset broadband project	<b>0.055</b>	0.000	<b>0.055</b>	0.000	<b>0.055</b>	0.000	<b>0.055</b>
Sustainable Drainage Funding	Suds/LLFA Defra Grant Reserve funding to be used to handle flood risk	<b>0.049</b>	-0.021	<b>0.028</b>	-0.028	<b>0.000</b>	0.000	<b>0.000</b>
Hinkley Project	Ring-fenced funding that is provided specifically for us to client the Hinkley development.	<b>0.023</b>	0.000	<b>0.023</b>	-0.012	<b>0.011</b>	-0.011	<b>0.000</b>
LD Equalisation Reserve	Equalisation fund for initial additional costs relating to the Discovery contract.	<b>-0.910</b>	0.910	<b>0.000</b>	0.000	<b>0.000</b>	0.000	<b>0.000</b>
Operating Accounts - DILLINGTON	The cumulative surpluses/deficits of the authorities trading accounts (Dillington).	<b>-1.373</b>	-0.170	<b>-1.543</b>	-0.170	<b>-1.713</b>	-0.170	<b>-1.883</b>

Name of Reserve	Description	Balance - as at 1 April 2019 (£m)	2019/20 Planned Use (£m)	Balance - as at 1 April 2020 (£m)	2020/21 Planned Use (£m)	Balance - as at 1 April 2021 (£m)	2021/22 Planned Use (£m)	Balance - as at 31 March 2022 (£m)
Repairs and Maintenance Fund (inc BMIS)	Historical overspends against Property Repairs and Maintenance and BMIS (schools property indemnity scheme). BMIS scheme is now ended and the balance on the scheme will have to be written off	-3.389	3.389	0.000	0.276	0.276	0.276	0.552
DSG (Early Years, High Needs & De-delegated services)	Funding of the additional hours for 3&4 year olds for eligible working parents (DfE funded based on the numbers in Jan 2018, for a new initiative in Sept 2018). The EY surplus beign used to offset EY high needs costs and development of EY training. The High Needs cumulative deficit of £5.6m to be managed (DSG recovery plan reducing in year spend and using one off savings to repay)	-5.577	0.000	-5.577	0.000	-5.577	0.000	-5.577
<b>Total (excluding School Balances)</b>		<b>13.536</b>	<b>5.023</b>	<b>18.559</b>	<b>0.981</b>	<b>19.540</b>	<b>0.264</b>	<b>19.276</b>

## **Reserves and Balances Policy Statement**

### **Introduction**

This statement sets out the Council's policies underpinning the maintenance of a level of general balances and earmarked reserves within the Council's accounts.

### **Statutory position**

A local authority is not permitted to allow its spending to exceed its available resources so that overall it would be in a deficit. Section 32 and 43 of the Local Government Finance Act 1992 require authorities to have regard to the level of balances and reserves needed for meeting estimated future expenditure when calculating the budget requirement.

Balances and reserves can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing, this forms part of the general fund;
- A contingency to cushion the impact of unexpected events or emergencies, this also forms part of the general fund, and;
- A means of building up funds often referred to as earmarked reserves, to meet known or predicted liabilities.

This policy statement is concerned with general balances and earmarked reserves as defined above.

### **Purposes of balances and reserves**

The Council has a long-standing policy of maintaining a small general balance to mitigate against unforeseen overspendings or a major unexpected event.

Although there is no generally recognised official guidance on the level of general balances to be maintained, the key determining factor to the level is that it must be justifiable in the context of local circumstances, and council taxpayer's money should not be tied up unnecessarily. The Council's external auditor, and the Section 151 Officer, comments on the level of balances and reserves as part of the annual audit of the Council's financial position and at the time of budget setting respectively.

While general balances are unallocated, earmarked reserves are held for specific purposes.

### **Level of balances and reserves**

Due to the serious financial challenges facing the Council, the level of general balances and reserves has become unusually low for a council of this size. A prudent level could be 3%-5% of the sum of council tax plus settlement funding i.e.

between £10m and £17m. This is normally enough to cover unforeseen circumstances and the risk of higher than expected service pressures. The Council is holding a brought forward balance of £12.704m at 1 April 2019 and forecasts a carry forward balance at 31 March 2022 of £19.926m. The Section 151 Officer recommends that this balance be increased further over the MTFP (2019-22) to mitigate against ongoing uncertainty of local government funding because of the Governments proposed changes and the lack of a Spending Review beyond 2019/20.

The level of earmarked reserves will vary annually, and it is noticeable that the level of usable reserves have been replenished during 2018/19 to help improve the councils financial resilience.

### **Proposed Policy for 2019/20**

In view of the on-going uncertainty, general balances ought to be further strengthened as proposed in the MTFP to mitigate against future risks.

With regard to earmarked reserves, firm plans for repaying in full the negative reserves should be developed and implemented as soon as possible.

Going forwards, the Section 151 Officers approval must be sought before any service can draw down on a reserve (earmarked or general) so that a view can be made at the time as to the appropriateness of this use of funds in accordance with the financial circumstances facing the council at the time.

## Appendix: L

### General Fund – Movements during 2019/22

General Fund	Value £m
Balance brought forward 2018/19	12.892
<b>In Year Transfers (2018/19):</b>	
Base Budget contribution 2018/19	2.000
Additional revenue contributions (Mnt8)	1.000
One-off levy grant	1.031
Contingency contribution	0.800
Negate the impact of deficit earmarked reserves	-6.086
Current Balance	11.637
Estimated in year underspend to be transferred to General Fund	1.067
<b>Balance at 31 March 2019</b>	<b>12.704</b>
<b>In Year Transfers (2019/20):</b>	
Base Budget contribution 2019/20	2.000
Planned contribution to reduce impact of deficit reserves on General Fund	4.300
<b>Balance at 31 March 2020</b>	<b>19.004</b>
<b>In Year Transfers (2020/21):</b>	
Base Budget contribution 2020/21	0.534
<b>Balance at 31 March 2021</b>	<b>19.538</b>
<b>In Year Transfers (2021/22):</b>	
Estimated contribution 2021/22 in relation to budget smoothing	0.534
<b>Balance at 31 March 2022</b>	<b>20.072</b>