



**Cabinet meeting on 6<sup>th</sup> January 2021**

**Strategic Plan and Medium Term Financial  
Strategy 2021-2026**

**Report Summary from Alan White, Leader of  
the Council and Mike Sutherland, Cabinet  
Member for Finance**



**Council Leader, Alan White said:**

” As Staffordshire works to recover from the effects of the pandemic this council is directing all of its resources to help people and business get moving again. In the year ahead we will be listening to Staffordshire people to act on the issues that matter most to them, while continuing to invest time and money in those things in our communities that support people to help themselves and one another.

“The county council continues to invest in physical and electronic infrastructure and promoting Staffordshire, so that our economy can prosper and generate more jobs and opportunities. This investment will also ensure growing communities have everything they need including school places, transport links and superfast broadband connections.

“At the same time, we are determined to keep improving education and training in Staffordshire so that people can flourish at school or later in life, support families so that they can remain together safely and inspire residents to healthy, independent lives.”

**Mike Sutherland, Cabinet Member for Finance, said:**

“The global pandemic of 2020 has affected the running of this authority in many ways, including reassigning staff to delivering food parcels and PPE, delaying planned savings programmes and reducing the amount of council tax and business rates collected. At the same time, we have spent more than we have received in emergency support from central Government to help residents and businesses through the crisis.

“Nonetheless, we are a stable, well-run authority and delivering value for money to our taxpayers is at the core of everything we do. Accordingly, we are able to carry on looking after residents now, while investing in Staffordshire’s communities, education and infrastructure for the future.

“In saying that, our financial challenges remain. In 2021/22 this authority will be spending more than £315 million, approximately two thirds of its budget, on social care and child protection. The growing demand in this sector is a national challenge rather than a local one and we need central Government to take the lead on finding sustainable long-term solutions.”

1. We are today updating the Medium Term Financial Strategy and Draft Budget for 2021/26. This aims to balance the ambition of this council as set out in the Strategic Plan with the clear commitment contained in the pledge to deliver value for money for residents and business and live within our means. We need to strike the right balance between ensuring we honour this pledge and ensure we continue to invest in our longer term aims of this council.
2. **Recommendations** – we recommend that in respect of the Strategic Plan and Medium Term Financial Strategy 2021-2026, Cabinet agrees all of the recommendations set out in the attached report:

## Cabinet – 6<sup>th</sup> January 2021

### Strategic Plan and Medium Term Financial Strategy 2021-26

#### Recommendations of the Leader of the Council and the Cabinet Member for Finance

1. We recommend that in respect of the Strategic Plan, Cabinet:
  - a) Note the progress made regarding the update of the Strategic Plan 2018-2022;
2. That, in respect of the Medium Term Financial Strategy (MTFS) 2021-26 and the 2021/22 revenue budget, Cabinet:
  - a) Consider the updates to the financial plans as set out in this report;
  - b) Endorse the commitment to continue to deliver the cost reduction programme as set out in **Appendices 3a – 3d**;
  - c) Note the risks associated with these planned cost reductions as set out in this report and ask the Senior Leadership to undertake the appropriate engagement arrangements required to deliver the cost reductions;
  - d) Receive a further report later this month once further details are known to recommend a Revenue Budget, MTFS and Council Tax to full council in February; and
  - e) Ask the Corporate Review Committee to scrutinise the proposed pressures and cost reduction options against the principles of a good and balanced budget.

#### Report of The County Treasurer and the Director of Corporate Services

##### Strategic Plan 2018-2022

3. The Strategic Plan sets out our ambitions and priorities for the years ahead. It outlines what we want to achieve and how we intend to do it over a four year period, and is the primary document that shapes the financial plans and the Corporate Delivery Plan. Developed and delivered in tandem, they are supported by a range of directorate, service and team plans across the council. At an individual level, all members of the Wider Leadership Team (WLT) sign an annual Accountability Letter and use the plans to support performance and development conversations for staff at all levels.
4. The current Strategic Plan was developed and agreed by full council in February 2018. The plan is reviewed annually, and in early 2020, at the mid-point of delivering this four-year strategy, members and officers reviewed the vision and priorities, and updated the document to reflect emerging local, national and international issues.

5. The Coronavirus Pandemic has had a profound impact on the work of the council throughout 2020. In some areas activity has paused or changed due to national restrictions or the need to redeploy staff to support urgent work, such as buying and supplying personal protective equipment (PPE), and providing food parcels to vulnerable people. In contrast, the pandemic has accelerated our approach, for example, in supporting community action and volunteering, and in the digital transformation of the way council staff work. As we enter 2021, with the roll-out of Covid-19 vaccines taking place, and our withdrawal from the European Union formalised, the priorities and principles in the strategic plan continue to be the right areas to focus on to drive Staffordshire's social and economic recovery from the events of 2020.
6. An increased focus on climate change was a significant addition to the Strategic Plan and our vision during its mid-point review last year. In 2019 the county council declared a climate change emergency, and our work with communities, partners and businesses to move towards a low and ultimately zero carbon future in Staffordshire, will continue to broaden and gather pace.
7. Despite the events of the past year, the county council remains ambitious for Staffordshire and the great potential our county and our people possess. Our people have shown extraordinary community spirit, care and togetherness in the toughest of times, and the challenge now is to maintain and redirect that energy as restrictions are eased, our economy recovers, and normality returns. In particular, we want to keep raising aspirations across the whole of Staffordshire so that even more people get the education, training and support they need to unleash their own full potential.
8. As a county council we will continue to do our bit, working with Government, business and partners to invest in our communities: in new and emerging technologies; in business premises; in transport; in schools and skills programmes; to raise the profile of the county and promote Staffordshire to a national and international audience; and to help create the right conditions for residents and business to strive and succeed.
9. The county council's vision for Staffordshire is to create:

**“A county where big ambitions, great connections and greener living give everyone the opportunity to prosper, be healthy and happy.”**

Alongside the Corporate Delivery Plan, it details how we work with Staffordshire's residents, businesses and our partners to deliver our three priority outcomes, that the people of Staffordshire will:

- **Be able to access more good jobs and share the benefits of economic growth**
- **Be healthier and independent for longer**
- **Feel safer, happier and more supported in their community**

10. In delivering its vision the council is evolving its relationship with citizens, promoting independence while also asking what matters most to them, and thinking about the outcomes we want to achieve rather than the services we should deliver. The following paragraphs include some highlights of achievements since 2009.

#### Economic Growth – Highlights:

- Staffordshire's economy grew from £15.6bn to £18.0bn between 2013 and 2018.
- Currently 79% of residents are in employment, higher than regional (75%) and national (76%) averages.
- COVID-19 has seen an increase in working age adults claiming Jobseeker's Allowance or work-related Universal Credit benefits, however the current rate of 4.7% remains well below both regional (7.3%) and national (6.4%) averages.
- Wages continue to rise from £28,328 in 2018 to £29,281 in 2019 and are above the West Midlands average. Wages also continue to grow faster than seen nationally in recent years.
- By investing in high quality business sites such as the i54 Western Extension, more than 9,000 jobs have been created and safeguarded through our £365m Growth Programme since 2014, with the potential for another 15,000 jobs.
- Completed business sites now contribute £5.8 million of business rates per year into funding local services.
- Our £34million Superfast Staffordshire partnership has enabled 81,000 properties so far to connect to superfast broadband, reaching 96% coverage across the county.

#### Infrastructure – Highlights:

- Our Growth Programme is helping to unlock the delivery of 15,000 houses.
- Our investment in infrastructure working with district councils is unlocking significant housing numbers - Stafford Western Access Road, Lichfield Southern Bypass and Branston Locks will deliver 6,200 homes.
- In 2020-21, delivered an initial programme of £6.9m of local highway and transport improvement schemes, including targeted road safety, walking and cycling schemes.
- Invested an additional £2m in locally identified community highway priorities, including additional drain cleansing and repairs, verge maintenance, grass and hedge cutting.
- Through an extra £5m investment last year, we fixed more than 30,000 potholes compared with 20,000 in a typical year.

## Education and Skills – Highlights:

- The percentage of good and outstanding schools has significantly increased from 76% in 2014 to 85% in 2020, and is in line with the national average.
- The percentage of children obtaining one of their top three choice of schools increased again – from 93% to 97% for Secondary schools and from 98% to 99% for Primary schools.
- More than £26 million has been allocated to build new schools and upgrade others in Staffordshire this financial year. New projects to keep pace with the growing demand for school places include a Primary school at Anker Valley, Tamworth, and a First school in north west Uttoxeter, with both set expected to open in autumn 2021.
- Strong education performance at Early Years, with 74% of Staffordshire's five-year-olds classed as 'ready for school', up from 54% in 2013 and better than the national average.
- Just 2% of young people aged 16-17 in Staffordshire are not in education, employment or training, better than the national average of 3%.
- Adult skills levels have improved, with 56.4% of residents qualified to NVQ Level 3 and above. The proportion of working age residents with no qualifications also reduced to just 5.7%, well below regional and national averages.
- Our £58million European Social Fund (ESF) Programme has engaged more than 25,000 residents to improve their skills and employability, with 11,000 progressing to employment, further education or Apprenticeships.

## Health and Care – Highlights

- 82% of Staffordshire residents are satisfied with their lives, an increase from 77% in 2011/12.
- Healthy life expectancy in Staffordshire women has increased by more than a year in the last five years.
- Teenage pregnancy rates in Staffordshire are falling and now similar to the national average.
- Staffordshire performs better than most of the country for take up of childhood inoculations.
- The Staffordshire Warmer Homes initiative is helping to provide fully funded central heating for up to 1,000 eligible homes across the county.
- The number of people aged 65 and over admitted to long-term residential or nursing homes has fallen between 2014/15 (642 per 100,000) and 2018/19 (538 per 100,000).
- The quality of long-term care and support is improving - 76% of services were rated 'Good' by the CQC in December 2020, an improvement on 52% in January 2016.
- Premature mortality rates from cancer, cardiovascular and respiratory diseases have fallen between 2001-2003 and 2017-19.
- Smoking related deaths are also reducing, with Staffordshire's rate significantly lower than national.

## Families and Communities – Highlights

- Staffordshire County Council has joined Shropshire, Stoke-on-Trent and Telford and Wrekin Councils to launch the Together 4 Children partnership to increase the chances of looked after children finding permanent homes.
- Since 2015 our Building Resilient Families and Communities programme has helped 8,569 families, exceeding a target of 5,464. In this latest year, as at October 2020, we have already helped 850 families achieve successful outcomes, and this is set to rise further.
- Our Emotional Wellbeing in Schools programme is supporting children's emotional wellbeing, including training for school staff, and promoting ways in which schools can access support for children and young people.
- Staffordshire is one of just 21 local authorities selected to take part in a national trial, receiving up to £469,000 of Department for Education funding, to place social workers in schools that will offer support to young people and families.
- Over half (27) of Staffordshire's library provision is currently managed and delivered by the communities they serve.
- The 2019/20 People Helping People Fund saw a total of £86,127 awarded to over 60 community projects that helped keep people independent, healthy, and supported within the places they live.

11. In addition, the county council has allocated over £83m since March on tackling the pandemic and supporting our communities through the crisis. This includes £3.2m on personal protective equipment (PPE) for care homes and schools, almost £11m on testing, tracing contacts and general outbreak control, £36m on supporting care homes and providers of domiciliary care to ensure they can continue to care for vulnerable residents safely. A further £2.5m has been spent on additional safety measures to ensure children travelling to school are kept safe. Just under £10m has been spent on a multitude of measures such as business start-up loans, food parcels, payments to nurseries, child minders and foster carers and emergency business payments. The pandemic has had an impact on our planned savings and this has resulted in a cost of £10m in delayed or unachieved savings.

12. Our strategy is ambitious for our county, but also realistic about the challenges that remain ahead as we recover from the pandemic and navigate our exit from the European Union. Support is in place to help those who have lost their jobs back into employment, or to re-skill, and support is available for people to start or sustain a business. Even before the pandemic, not enough people in Staffordshire were earning the salaries and wages they need to lead the lives they want. Health and care challenges are great, with a growing ageing population contributing to enormous financial pressures on the health and care system. The numbers of children coming in to and remaining in the care system is increasing, as are the numbers of children with special educational needs, in line with national trends.

13. The council therefore has agreed five priorities. These priorities are:



Help Staffordshire's economy to grow and generate more good jobs



Invest in infrastructure for growing communities



Improve education and training so that life-long learning offers everyone the opportunity to succeed



Inspire healthy, independent living



Support more families and children to look after themselves, stay safe and well

14. In order to be ambitious for Staffordshire and deliver our priorities against a backdrop of reduced Government funding and growing demand for much of the support we provide, the way the county council operates must continue to evolve. We have identified four principles that will underpin delivery of the Strategic Plan. They are: Communities; Workforce; Digital; and Climate Change, as explained in the following diagram:



Encourage residents and **communities** to help themselves and one another



Our **workforce** will be ambitious for Staffordshire, and make a difference for our people



Be **digital**, using technology and data to connect, inform and support our citizens



Think **climate change** in all we do to limit our impact on the planet

15. As a financially stable, well-run county council, we continue to reduce costs and work in more efficient, often digital ways. However, our growing, ageing population, rising costs, and growing demand for services mean that more fundamental changes will be required. We also anticipate a significant economic impact from the coronavirus pandemic across the entire public sector.

16. The county council has changed significantly over the last decade but more recently we have found that we can no longer afford all the things we used to do or would like to do. We need to find different ways of working that help people to help themselves, take greater personal responsibility for their own lives, health and wellbeing, and greater responsibility for improving their own communities. That pace of change must accelerate over the next four years in the changing financial landscape. If we succeed in this and reduce demand on public services, the county council can target the reducing resources we have at the people who really need them. Therefore, the council included the following pledge in its Strategic Plan:

**Pledge** Deliver value for money for residents and businesses and live within our means

17. Therefore, in the coming year:
- a. We will work hard to ensure that the economy recovers and returns to growth so that everyone has access to a good job with good prospects;
  - b. We will help people to help themselves to lead happy and independent lives with less need for services and support;
  - c. We will continue to support those least able to help themselves through creating new models of care in line with our resources.

## **Financial Planning - Underlying Principles**

18. In February 2020 the Medium Term Financial Strategy for 2020-25 was approved. This included a balanced budget for 2020/21 and 2021/22, with headroom for the later three years of the period. The MTFS included significant cost reductions to be made over the five years, savings of £47.7m in addition to those already approved previously, which were part of the £62 million by 2024.
19. The position in February was a reasonably positive one, with a balanced MTFS for the five years, although large risks were present with the cost reductions required and the increasing demands for social care, both Adults' and Children's.
20. However in March the country was placed under a national lockdown as the coronavirus pandemic hit. The county council has played, and continues to play, a key role in dealing with the pandemic and supporting communities through its impact. The pandemic has had a severe impact on finances across the country, at all levels. For the county council there has been significant additional, unplanned expenditure during the current financial year. Expenditure has been on a range of different items from Personal Protective Equipment (PPE) for care homes, to food parcels to payments to nurseries, childminders and care providers to ensure they stay in business and currently it is not clear when this expenditure will end as there remain costs associated with testing and tracing contacts in our efforts to overcome this virus.
21. During the current financial year, the county council has received a large amount of money in the form of grants from the government which are intended to fund the financial impact of the pandemic. To date more than £80 million has been received and spent on dealing with the pandemic and issues raised by it. Currently the additional expenditure is forecast to be around £2 million more than the amount of grant received.
22. The pandemic has meant we have been keeping government informed more frequently of our financial situation, as have all local authorities. Whilst the county council and the government have been dealing with the short term, immediate financial impact of the pandemic, we have been continuing to lobby Government on the critical need for more money for social care. In addition there is a longer term impact of the pandemic on our finances in 2021/22 and beyond, that needs to be recognised by the government and addressed.
23. Despite the events in 2020, it is imperative that we review the financial plans with aims of understanding the impact of addressing the funding gap produced

by the pandemic and underpinning the strategic plan to deliver effective services while living within our means.

24. To do this the council has agreed a set of principles to develop the financial planning in the council. These are:

The Medium Term Financial Strategy, driven by the new vision and new strategic plan is;

- To be focused on achieving outcomes in the delivery plan;
- To be evidence-based using a data-driven approach;
- Part of an ongoing, continuous process led by service leadership teams;
- About shaping options around a focus on the people of Staffordshire as citizens rather than customers;
- To assess delivery plan options against the following tests to determine whether they are:
  - managerially deliverable with an accurate assessment of the risks involved in delivery
  - politically manageable
  - deliver outcomes, and
  - 'ensure we live within our means'

25. Underpinning the planning framework is the council's aim of setting a Good and Balanced Budget.

26. Setting a **balanced** budget is a statutory requirement and means that:

- Income equals expenditure;
- Cost reduction targets and investment proposals are credible and achievable;
- Key assumptions are "stress tested".

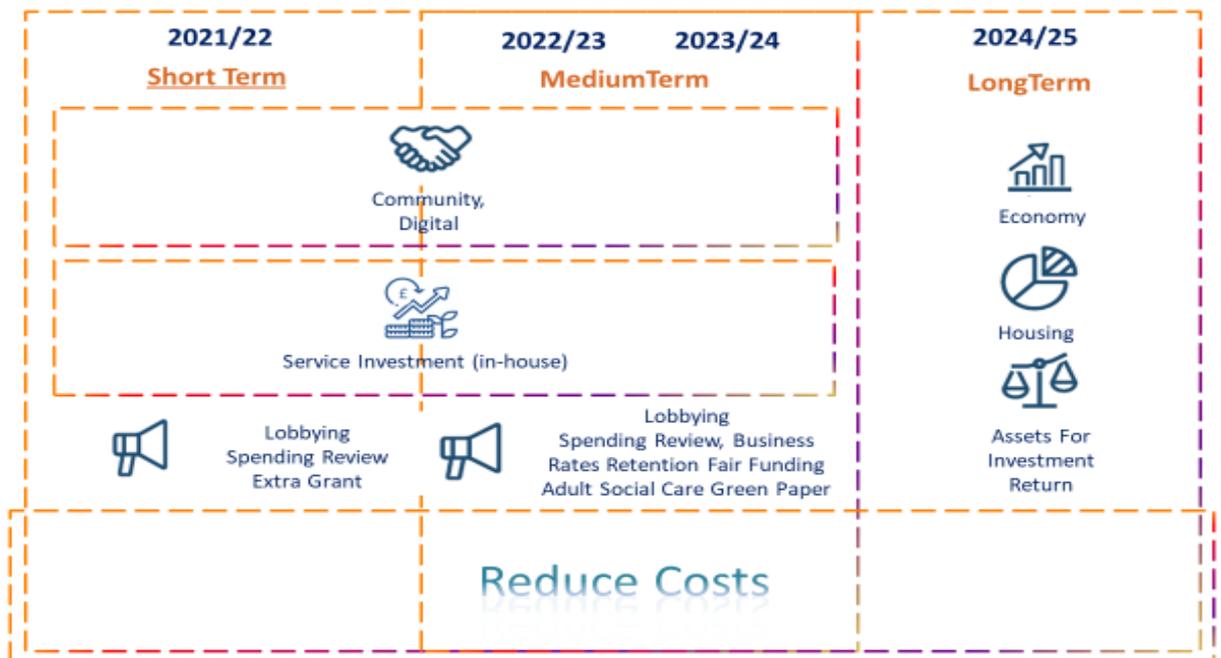
27. The hallmarks of a **good** budget represent best practice. They are designed to ensure financial sustainability and mean that:

- It has a medium-term focus, supporting the Strategic Plan;
- Resources are focused on our vision for a Connected Staffordshire and our priority outcomes;
- It is not driven by short term fixes;
- It demonstrates how the county council has listened to consultation with local people, staff and our partners;
- It is transparent and well scrutinised;
- It is integrated with the capital programme; and
- It maintains financial stability.

28. We keep innovating and remodelling how we work by making more use of technology and data in this digital age. With less funding, we are looking at communities to take on even more responsibility and supporting people to make the best choices for themselves and their families so that fewer people need our help.

## Financial Planning Approach

29. Although there was a balanced position for 2021/22, since then there have been some exceptional events which were completely unexpected. Last year's MTFS also included some large cost reductions which must be achieved in order to continue with the balanced position. As the world moves out of the global pandemic, we will need to adapt to new ways of delivering services and new demands placed on our services.
30. Whilst we begin to understand the post-pandemic world, our medium and longer term planning aims remain the same, however some of our shorter term financial plans will need to change or extend timescales.
31. Regardless of any 'new normal' there will be some strands to our financial planning which remain relevant. We need to continue to lobby Government, particularly for a solution to the issue of funding for social care, we need to continue to reduce costs to ensure we live within our means and we need to continue to work on our community and digital initiatives.
32. The Strategic Plan sets out how these strands impact in the long term, medium term, and short/immediate term as shown in the following diagram:



33. What is clear from the diagram is that the aims of growing the economy and building more homes will take several years to realise any financial benefit to the council. Therefore, the council must continue to deliver the plan to reduce its cost base to balance the budget for the immediate term while the longer-term initiatives are developed. In addition, the short-term plan includes a range of activities aimed at lobbying government to ensure care pressures are met and grant reductions are slowed. This is essential to give the council the time needed to transform in the medium term; it would be counter-productive to be forced to reduce spending in the short terms on those activities which are

essential to the long-term future of Staffordshire e.g. economic development services.

## **Medium Term Financial Strategy – Update**

34. The financial plans set out the financial implications of the council's Strategic and Delivery Plans. The development and refinement of the Strategic Plan is undertaken in conjunction with the financial planning process to ensure that budgets reflect the council's aims and objectives.
35. The planning period is five years, which provides a framework that promotes longer term planning.
36. Identifying efficiency through innovation and new ways of working has featured heavily in previous years' financial strategies and, in the light of the current economic climate will continue to be a fundamental part of the council's plans going forward. The council has a proven track record of delivering cost reductions with £160m being identified and delivered in the past five years (up to and including 2019/20).
37. The council still has significant challenges ahead and the way residents' needs are met must continue to evolve. The delivery of challenging cost reduction targets and the management of current and future pressures is crucial to the delivery of the financial plans and the aspirations set out in the Strategic Plan.
38. In February the MTFS set a balanced budget for 2021/22 but one that included more than £62m of savings to be delivered by 2024. In addition to those already agreed savings, a further £25.8m is included in the current MTFS for delivery by 2026. This balanced budget included new and emerging pressures and investments, particularly in care services, and it is now necessary to update the financial plans for the changes and developments since February. The key elements of the plans discussed in the report are:
  - a. The current economic climate
  - b. Spending Review 2020
  - c. Provisional Settlement
  - d. Projected pressures and cost reduction options
  - e. Risks
  - f. Council Tax and Business Rates
  - g. Reserves and Balances
  - h. Capital Programme
  - i. Summary of the Medium Term Financial Strategy Position
  - j. Corporate Review Committee Role
  - k. Consultation
  - l. Conclusions

## **Current Economic Climate**

39. The Bank of England reduced the base rate to 0.1% in March 2020, just before the country went into a national lockdown. It remains at that rate, which is a historic low rate for the Bank. Markets around the world have been in turmoil due to lockdowns and reduced economic activity across the globe.

40. Inflation is well below the HM Treasury target of 2%; currently the Consumer Price Index is at 0.6%. The forecast is for CPI to increase slowly as consumer spending starts to increase during 2021 with restrictions and lockdowns easing. The Bank of England forecasts inflation to take another two years to reach the target level of 2%.
41. Unemployment has increased during 2020 with redundancies at their highest ever level in September. The Office for Budget Responsibility (OBR) predicts that GDP will reduce by 11.3% during 2020 and the outlook remains very uncertain. However, the OBR is forecasting a steady growth in GDP from 2021 onwards.

### **Spending Review 2020**

42. The Spending Round was announced on 25<sup>th</sup> November and it was intended to cover a longer period, following the one-year Spending Round in 2019, however the uncertainty caused by the pandemic meant this Review also covers one year only. The intention is for a further Spending Review to happen which will cover a future period beyond next year.
43. The announcement included some additional funding for social care, £300 million nationally plus the Adult Social Care precept can be increased up to 3% in 2021/22, currently the MTFs assumes an increase of 2%. There was an indication that other social care grants allocated in 2020/21 will continue for a further year but clarification is needed from the Settlement for the amounts continuing for the county council. Other positive news is that New Homes Bonus and Troubled Families funding streams will continue in 2021/22.
44. Funding will be available for Covid-related spending pressures in 2021/22 but it was suggested that this will be retained by the Government initially before ascertaining the best method of distribution. In addition, 75% of the lost income from council tax and business rates will be funded, reducing the deficits on collection funds used for budget-setting.

### **Provisional Settlement**

45. The Provisional Settlement was announced on 17<sup>th</sup> December 2020 and confirmed the additional funding included in the Spending Review. The Settlement is also for one year only which does not aid longer term planning.
46. There is an additional amount of £4.4m allocated for social care, both Adults' and Children's. This is in addition to the £20.8m Social Care Support Grant announced in 2020/21 which will now continue in 2021/22. The Improved Better Care Fund will continue in at the same level as in the current year.
47. Revenue Support Grant will also continue in 2021/22 and has been inflated, this same lower rate of inflation has also been applied to the business rates top-up payment. The allocation for New Homes Bonus is £0.574m more than was assumed. There is a further consultation on the future of this funding stream.

48. The Spending Review included an allocation of Covid funding for local authorities for 2021/22 and this has been allocated as part of the Settlement with Staffordshire receiving £16.2m. This will be kept centrally until the impact of the pandemic in the new financial year becomes clearer.
49. The whole of the Provisional Settlement, including the allocation of social care support grant and the distribution of the Covid funding, is out for consultation. This adds a further element of uncertainty into the amount of funding available for 2021/22, amounts will not be confirmed until the Final Settlement is announced, some time during February.

### **Projected Pressures and Cost Reduction Options**

50. Services have made efforts to mitigate their own spending pressures in order to maintain a balanced budget. The impact on our communities has been carefully considered and is shown at **Appendix 2**. The current list of pressures, investments and savings options are attached as **Appendices 3a-3d** and the key impacts are discussed in the paragraphs that follow.
51. Health and Care is facing cost pressures from a rising demand for services as the population ages, and increasing prices of care due to inflation, in large part as a result of uplifts in the National Living Wage. These costs are budgeted for in the MTFS although there is a risk that demand / and or price increases exceed the budgeted provision. The Covid-19 pandemic has had a profound impact on care providers with a further increase in costs due to requirements for enhanced infection control. These costs have been met in year by non-recurrent funding from Government, however the Government has not confirmed any recurrent funding. These costs are not budgeted for in the MTFS and there is therefore a risk to the MTFS position.
52. Several other pressures have been identified, including an increase in the cost of mental health placements, and pressures on staffing budgets in the Council's directly provided services for people with a learning disability. The directorate has identified alternative savings to offset these pressures.
53. Health and Care continues to make progress towards delivery of the planned savings approved in the MTFS for 2020/21 and future years. Some savings have already been delivered, while other savings have been RAG rated as medium or high confidence of delivery. A number of savings have been delayed during 2020 due to the pandemic. These have been met with planned use of Covid-19 monies. A number of planned savings have been delayed or are unachievable in future years. Again the directorate has identified alternative savings to offset these.
54. Actions are ongoing to manage demand including to expand and make better use of voluntary support in the community, to quality assure new assessments and regularly review people already receiving care to ensure appropriate interpretation of Care Act eligibility criteria.
55. Actions are also ongoing to manage prices including to manage choice of services in line with our powers under the Care Act, to make use of new

technologies to generate efficiencies, as well as to block book nursing home beds and develop new nursing home capacity.

56. The county council continues to lobby central government for a long term funding settlement for public health and adult social care and for non-recurrent funding to be sustained in the interim.
57. The Families and Communities current plans and new options continue to be dominated by the requirement to transform the Children and Families system specifically; against a backdrop of rising costs and constraints on funding; workforce transformation, including a shift to community supported locality models and greater use of volunteers and further cost reductions on Special Educational Needs (SEN) transport.
58. Within the children's social care system the planned transformation has not happened in full this year, due to the pandemic and its impact on other public services such as the Family Courts. This means that planned savings have not been achieved and need to be reprofiled, amounting to an additional pressure of £6.4 million in 2021/22 which reduces over the MTFS period. It is anticipated that, by the end of the revised MTFS (2025/26), the full saving target of £17.072m as originally planned will still be delivered albeit a year later than initially expected.
59. Increasing demand for SEN support, exacerbated by the pandemic, led to a backlog of EHCP assessments which has now been cleared, however a general increase in the number of EHCPs is placing further pressures on SEND services including Home to School Transport.
60. The high needs block is currently projecting a £5.5m overspend this year, and, left unaddressed, could increase further to a £7.5m overspend by 2024 and a significant Dedicated School Grant deficit. It is anticipated that through the transformation and implementation of the revised SEN Operating Model, supported by the new SEN strategy, will provide a more sustainable model, improve relationships with district and school partners, and deliver improved educational and life outcomes for children and young people.
61. Outside the issue of social care, there are pressures in other service portfolios with the main one being repairing the local economy following the pandemic, for this reason £1 million has been put into this service area to support local businesses. In June 2020, Cabinet approved the *Staffordshire Means Back to Business* strategy to support and grow businesses in the county. The investment in the MTFS supports that strategy and reflects the medium and longer term support for the local economy. Another effect of the pandemic has been felt in lost income from on-street parking and additional money has been put into budgets to reflect that.
62. Across support services significant savings are being made which produces challenges in providing the required level of support to frontline services. We are also making significant savings from a programme of property rationalisation across the County as we invest in more digital technology and move to more agile working.

63. Following the announcement in the Spending Review that certain parts of the public sector would have a pay freeze in 2021/22, the county council has not allocated any inflation to pay which has saved around £3m, in addition inflation on non-pay costs has been assumed at 1% due to the fact CPI is currently below that level.

64. The total pressures and cost reductions, including the increasing pressures and savings from previous years, are shown in the table below. A summary by Directorate is attached at **Appendix 4**.

	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Pressures	28.727	40.386	51.523	63.492	75.429
Inflation	6.179	15.687	25.132	34.383	43.841
Savings	(1.244)	(10.543)	(18.345)	(23.525)	(25.778)
Investments	(0.625)	(1.147)	(1.965)	(1.980)	(1.980)
Net movement	33.037	44.383	56.345	72.370	91.512

## Risks

65. There are a range of significant risks which need to be carefully monitored and managed. In some cases, the risks may not materialise or may be managed to mitigate their impact on the budget.

66. There is a huge level of uncertainty in the MTFs due to a number of factors. The full impact of the pandemic on the local and national economy is not yet clear and this could have wide reaching consequences for the income the county council can raise from council tax and business rates. Depending on the impact, the government funding may not cover all additional costs faced by the county council.

67. The Spending Review 2020 covered one year only and therefore no information is available on levels of government funding from 2022/23 onwards. It is hoped that a multi-year Spending Review is announced during 2021. In addition, there are a number of reviews of schemes, such as the Fair Funding Review and review of the business rates system, which have been postponed and these need to be resolved urgently to provide certainty for local authorities. In addition to this uncertainty, Brexit means that there is a risk of increased costs for the county council.

68. The biggest risks are in social care. This includes our ability to continue to control demand as the population continues to age, and the success of ongoing actions to control prices. These also need to be seen against a backdrop of ongoing pressures in the local NHS, which tend to drive up both demand for and the price of care.

69. In relation to social care, the current MTFs assumes that the county council will continue to have the ability to increase the Adult Social Care precept by 2% each year, across the period. This is a significant risk and would reduce the income available if this option is removed by the Government.

70. Risks are inherent in the whole system change around Children's and Families' including new ways of working not being fully embedded to support delivery of children and families system transformation. The numbers and costs associated with Looked After Children and children with EHCPs have increased markedly over the last couple of years. Whilst this is a national trend there is risk to the financial plans that this trend continues.
71. In relation to the council's capacity to deliver, there is an increasing risk that restructures are not completed in time to realise savings. The reduction in resources, particularly corporate support resources, would also impact on the capacity to support and deliver key strategic aims such as people helping people, digital, and economic growth to deliver additional council tax and business rate receipts etc. Prioritisation of scarce resources is key to managing the impact of this risk.
72. The level of waste tonnages being disposed of in recent years has increased and this represents a risk that current budgets will not be enough in future years. In addition, there are significant risks attached to the renewal of major waste disposal contracts in future years.
73. Given the levels of savings expected from property rationalisation, a very active and focussed approach will be required to avoid the risk that this does not proceed as fast as required.
74. Loss of specific grants and hence income to the authority is a risk.
75. The impact of the MTFs proposals on the wider Staffordshire economy may hamper the council's economic growth ambitions.
76. There is a high risk of increasing liabilities (including insurance claims) and growing maintenance costs if we reduce highways revenue spend further.
77. There is an increased risk of spending exceeding budgets and/or income falling short of budgets. The council has a proven track record of delivering significant cost reductions. However, the scale, complexity and pace of the changes still required enhances the risk that not all the cost reductions identified will be delivered within the required timescales. There is a heightened risk associated with plans not being delivered and outcomes not achieved. In previous years and for a variety of reasons, some transformation programmes have not fully achieved the targets set and therefore appropriate contingency arrangements need to be in place. To respond to these increased risks, the Contingency budget is planned to be £4 million each year, in line with that provided in the last two years.
78. Delivery Plans now need to be revised in the light of the financial situation facing the council. Services need to continue to closely monitor the council's transformation programme including, where appropriate, options to severely restrict or even stop providing some services. The governance arrangements for this significant programme include regular reports to Informal Cabinet, Select Committees, Senior Leadership Team, Delivery Board, Service and Project Boards.

79. With regard to the risk of overspending against budget, thorough budget preparation and detailed monitoring during the year, coupled with personal financial accountability, minimises this risk. Furthermore, Finance Business Partners can identify any concerns at an early stage, advise management teams and recommend measures to mitigate the impact. Budget monitoring reports are regularly considered by management teams and by Select Committees, Portfolio Holders, SLT and Cabinet on a quarterly basis.
80. As the county council continues to transform, we recognise this also presents a potential significant impact for some of our communities, individuals and staff. Community Impact Assessments (CIAs) are therefore a critical component of the council's decision making processes. Each of the options outlined in this paper is likely to have a very different impact and affect different groups of people, therefore where appropriate these will require a specific CIA tailored for that service.
81. As such, services will undertake full and detailed Community Impact Assessments (CIAs) where there is a change to service, commissioning or policy, in line with its CIA framework. This includes identifying those potential negative impacts where changes could affect different groups of people and seek to identify those key actions we will take to reduce any negative impact, protecting Staffordshire's most vulnerable where possible.
82. There will be corporate support and guidance offered in assisting services in the development of their CIAs, ensuring they are developed at the earliest stage, inform thinking and are continually reviewed as part of implementing changes.

### Sensitivity Analysis

83. In terms of assessing the impact of changes under various scenarios the following table sets out a guide to the effect of changes to the major cost elements/funding streams:

<b>Impact of (+ or -)</b>	<b>Equates to (+ or -)</b>
1% Council Tax	£ 3.7 million
1% Business Rates growth (SCC receives 9% of the total collected rates across Staffordshire)	£2.8m across Staffordshire, of which SCC receives £256k (9%)
1% Pay award (excludes staff funded from specific grant (e.g. Dedicated Schools Grant))	£ 1.5 million
1% Non-pay budget	£ 0.3 million
1% Interest (on balances)	£0.7 million

84. Details regarding the assumptions used in the financial planning exercise for the major cost elements and funding streams are attached as **Appendix 5**.

## **Council Tax and Business Rates**

### Council Tax

85. Staffordshire County Council currently has the third lowest council tax level amongst counties in England. This position demonstrates the careful consideration that the council has taken regarding the level of tax demand placed on residents. However, this does restrict the level of funding available to pay for essential services. Clearly a careful balance needs to be struck between these two factors.
86. The current assumption in the financial plans contained in this report is that the general council tax increase (i.e. in line with the principle of taking the tax increase allowed by government up to the referendum limit) is 1.99% for 2021/22 and thereafter. In addition, the Spending Review announced that the government would again permit social care authorities to raise council tax by a further 3% to help with funding pressures in social care. This additional increase is also included in the financial plans in this report and is assumed for future years at an increase of 2%.
87. The council has not exceeded the referendum limit. However, it is legally permissible to set a council tax increase in excess of the limit, subject to taking the increase to a public referendum. This is not a decision that would be taken lightly, while it remains an option, significant sums of money would be required to hold a referendum and, by its very nature, the outcome of the referendum is uncertain. To date no referendum in the UK has ever supported an increase in Council Tax.
88. The Government has announced a scheme to reimburse local authorities for 75% of the income lost from both council and business rates. The Provisional Settlement included further details on the mechanism for this scheme which is reliant on returns produced by the district and borough councils. Without the relevant information from the lower tier authorities, it is not possible to forecast the level of funding that will be received. In addition, the Government has suggested that payments will not be made until all information is known which would be late in 2021 or even January 2022. As it is not possible to forecast the amounts to be received, it is prudent to adopt a strategy that one-off resources arising from the final settlement are earmarked to deal with the risk that less grant is allocated to the county council than anticipated.

### Business Rates

89. Businesses across the globe have been hit by the pandemic and local and national lockdowns meaning they have been unable to operate as usual. For this reason, we are adding to our economic regeneration budget to help local businesses in Staffordshire. However, this also means that the income we receive from business rates has reduced from the assumptions included in the MTFs originally. Further detail on the scale of the reduction is expected at the

very end of January when we receive copies of the returns sent by the Districts and Boroughs to government.

90. The government had already announced that there would be no further business rates pilots in 2020/21 and there will not be any in 2021/22 either. In the current year, the county council is part of the Staffordshire and Stoke on Trent Business Rates Pool which means we can maximise the amount of business rates income retained in the County and City.

## **Review of Reserves and Balances**

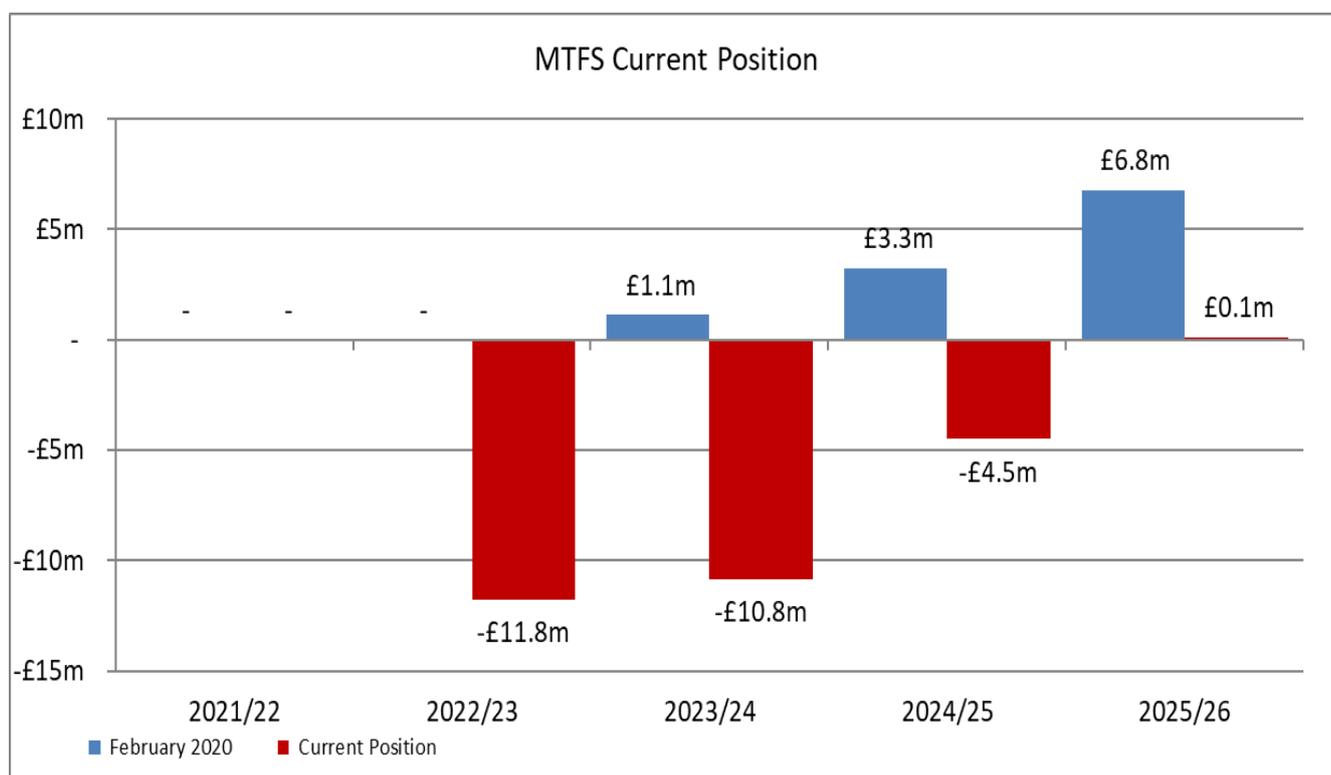
91. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report to the Council on the adequacy of proposed reserves and the robustness of the budget.
92. We have reviewed the earmarked reserves and provisions we hold to make sure they are still required and that they are adequate. As part of producing the formal accounts of the council for 2019/20 earmarked reserves were reviewed. Excluding those reserves earmarked for schools, there is a total of £89.0m of earmarked reserves which were deemed to be fit for purpose for matters such as insurance claims and capital investment.
93. At the end of 2019/20, general balances were £35.5m. As part of last year's MTFs, a contribution into balances of £10 million was made during the current year, making a level of £45 million at the beginning of 2021/22. This means general balances are at the minimum level required for the county council, as informed by last year's risk assessment. The events of this year have proved the importance of holding balances against uncertainties, a global pandemic did not feature as a risk in last year's MTFs but it is evidence that we need to hold money to cushion the financial impact of such events. The risk assessment considers the uncertain future economic and funding outlook and the risks surrounding the financial plans which are set out in this report. It is quite clear that in several areas, e.g. adult social care and looked after children, that the level of risk facing the council has increased substantially. In addition, the lack of clarity around future funding levels has been taken into consideration. The assessment, attached as **Appendix 6**, has concluded that in excess of £50m is deemed to be the minimum required for the council.

## **Capital Programme and Investment Strategy**

94. The county council invests a significant sum (around £120m each year) in a wide range of capital projects including the road network, schools and economic development schemes. At this stage the Capital Programme can only be estimated as the levels of grant and other funding sources are not yet announced. The Capital Programme will be reported again to Cabinet later this month.
95. The Government's Capitalisation Direction remains in place and this allows local authorities to fund revenue expenditure from capital receipts, providing that expenditure is transformational in nature and can be shown to generate ongoing, revenue savings.

## Summary of Medium Term Financial Strategy

96. In February 2020, a balanced budget was reported for 2021/22 with headroom in the future years. Since then, the pandemic has had an impact across all services and its impact will continue to be felt for a number of years to come.
97. Assuming the spending pressures and savings options identified in **Appendices 3a-3d** are approved, the current position, compared to the position in February, is shown in the graph below:



98. The graph shows that the position for 2021/22 is a balanced one but the headroom which was part of the period in February 2020 has now been used to part fund cost pressures and there remain significant budget gaps in year two and three of the period. These gaps reflect the level of financial uncertainty in the future and also reflect the longer term impact of the pandemic.
99. The Spending Review expected in 2021 will hopefully cover a longer period of time and will therefore provide some financial certainty for the MTFS and it is hoped will help to close the gaps in future years. It is proposed that further cost reductions and one-off resources are used to balance the budget in 2022/23 and 2023/24, until the government provides more clarification on future funding levels. This would result in a balanced MTFS across the period but would mean that one-off funding sources were fully utilised and could not therefore be used for any other initiative. In addition, the use of any one-off resources would need to be repaid over a period of time.
100. The 2021/22 draft revenue budget for each service area together with planning forecasts for future years is attached as **Appendix 7**.

## **Corporate Review Committee Role**

101. Scrutiny now needs to be undertaken on the results of the MTFs exercise. In this council, that role is undertaken by the Corporate Review Committee. As in previous years this committee has established a working group to specifically scrutinise the financial plans.
102. It is proposed that the Corporate Review Committee be asked to scrutinise the results of the MTFs exercise as set out in this report.

## **Consultation**

103. As in previous years, consultation on the overall budget will be required with trades unions and business ratepayers at an appropriate time. In addition, savings options will require specific consultation as necessary to deliver the changes proposed.

## **Conclusions**

104. Members have committed to delivering value for money for residents and businesses and living within the means available to the council. It is evident from the analysis contained in this report that this is becoming increasingly difficult to do. Balanced budgets for future years will not be possible without tough decisions being made on services that affect the lives of many. To deliver on its pledge this does mean that if nothing else changes, in terms of increased funding from government, then what is set out in this report is what this council will need to do.
105. That means thinking differently about what more we can all do for ourselves and what we expect to be paid for from the public purse.
106. The council remains ambitious for Staffordshire, exploring new options and areas to make our county better. Take housing for example. We believe we have a key role to play in creating the right conditions for housing development. This will help deliver much-needed homes for Staffordshire families and bring in more council tax to pay for public services. The council remains committed to supporting the local economy to recover from the effects of the pandemic.
107. The longer-term vision for the council is set out clearly in the Strategic Plan. Members of Cabinet are not prepared to do things which undermine the medium/long term view which is essential to ensure sustainability as an authority. The financial gap facing the council is caused by circumstances beyond its control; including the economic impact of the pandemic, significant reductions in funding over time and increased demands for services.
108. In the next year our priorities remain to:
- Create the conditions for the economy to grow and create more better paid jobs
  - Support the construction of more homes for Staffordshire families

- Improve education and skills provision in our schools, colleges and universities
- Focus on a joined up approach to health, care and wellbeing
- Ensure children and families have a network of support to help manage their own problems and remain safe and well

109. We await the Government's response to the financial challenge facing good and well-run councils across the country, and the consequences if extra additional funding is not forthcoming.

110. However, we are being open with everyone now about our finances, the action we are taking and the reality we all may potentially face.

**Rob Salmon**  
**County Treasurer**

**John Tradewell**  
**Director of Corporate Services**

## **List of Appendices**

1. Implications Statements
2. Community Impact Assessment
3. Detailed Pressures, Savings and Investments
  - a. Health and Care
  - b. Families and Communities
  - c. Economy, Infrastructure and Skills
  - d. Corporate Services
4. Summary of Pressures, Inflation, Savings and Investments
5. Major Assumptions Used in MTFS
6. Risk Based Review of General Balances
7. Proposed Net Revenue Budget 2021/22 and Planning Forecasts 2022/23 – 2025/26

### **Equalities implications:**

The overarching equalities implications are at the heart of political deliberations with interconnecting links. This interconnectivity is key to delivering within Staffordshire, the best value for money for all. Specific equalities implications arising from the issues covered by this report will be incorporated into outcome and service plans. Equality Impact Assessments will therefore be undertaken for each specific issue, where appropriate.

### **Legal implications:**

At this stage in the development of the financial plans there are no specific legal implications presented by this report.

Some of the decisions required in the report carry a risk of legal challenge. The Council's response to any challenges will be considered if and when they arise on the basis of whether they are likely to be successful.

### **Resource and Value for money implications:**

The Resource and Value for Money implications are set out in the report.

### **Risk implications:**

As outlined in paragraphs 65-82 of the report.

### **Climate Change implications:**

We have considered the impacts on climate change whilst developing the financial plans and have, in line with the county council's key priority concentrated on reducing our carbon footprint in future service delivery plans. As an organisation, over the medium term we are encouraging greater flexible working which aims to reduce emissions even further.

### **Health Impact Assessment**

The impact on public health has been considered whilst developing the financial plans. Innovation and Efficiency options proposed aim to improve and promote the health of citizens through closer working with the NHS. Further implications will be incorporated in the outcome plan for Staffordshire as a place where people live longer, healthier and more fulfilling lives.

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## **Annual MTFS Community Impact Assessment (CIA) - 2021/22**

### **1. Background / Overview of MTFS CIA Process**

- 1.1. Staffordshire County Council's Community Impact Assessment (CIA) policy forms a critical component of our decision-making processes. It sets out a clear and consistent organisational approach to how we assess the impact of service changes, commissioning and strategy for communities.
- 1.2. In November 2018, Staffordshire County Council established an annual Community Impact Assessment (CIA) of its Medium-Term Financial Strategy (MTFS). The purpose of this is to provide a high level, strategic assessment of MTFS impact each year, considering the cumulative impacts of key MTFS savings proposals and examining what these may mean for Staffordshire's communities, places and most vulnerable residents.
- 1.3. The MTFS has recently undergone its annual review, for approval by Cabinet in January 2021. To accompany this report, the MTFS CIA has also been updated below to consider any additional savings proposals, alongside key Covid-19 impacts. This paper also provides a progress report against the previously identified seven CIA priorities identified in the 2020/21 CIA, and refreshes the list of CIA priorities for the upcoming year.

### **2. MTFS CIA Priorities (2020/21) – Progress Update**

- 2.1. The MTFS CIA presented to Cabinet in January 2020 reported the following seven proposed savings options with the highest potential impact on our communities and the places they live:
  - Removal of non-statutory Community Transport
  - Review of non-statutory activities regarding appointeeships
  - Review policy on winter grit bins from winter 2019
  - Rural review and reorganisation
  - Children, young people and families transformation phase 2 (including SEND)
  - Community offer for learning disabilities
  - Savings to mental health recovery service
- 2.2. The assessment also identified some cohorts as being at greater risk of potential cumulative impacts as a result of the MTFS savings proposals, these were:
  - Staff
  - Age (older people)
  - Disabilities
  - Children and young people
  - Localities
- 2.3 Appendix A provides a progress update against each of the MTFS CIA priorities listed above in paragraph 2.1, as well as an overview of the known impacts on communities and the priority cohorts also listed above in paragraph 2.2.

- 2.4 The main finding of this work is that through working together with key stakeholders and the community, the service impact on some of our key vulnerable groups has been mitigated. This includes changes to non-statutory community transport, winter grit bins, urban grass cutting and non-statutory activities regarding appointeeships. Where changes have gone ahead, full individual service CIAs have been developed and conversations have taken place both internally and with stakeholders to ensure potential impacts are minimised.
- 2.5 In addition, the MTFS CIA Task and Finish Group met in November 2020 to review and discuss each of the seven MTFS CIA priorities. The group identified a number of cross-cutting themes which have helped to mitigate the impact of current changes on individuals and our communities.
- **Doing things differently** – responding to Covid-19 has required Council services to work in a very different way, resulting in both positive and negative impacts. This learning has helped in the development of mitigations, such as an increase in demand for country parks has led to a delay to the Rural Review and Reorganisation programme as part of reshaping future service delivery. The delivery of Mental Health Recovery Services during Covid-19 required providers to work differently, with contracts now extended for further review. Appointeeship changes, such as the introduction of pre-paid cards, also had a positive impact for many during lockdown.
  - **Partnerships** – Working closely with partners continues to enable the effective implementation of some key MTFS changes, minimising the impact for local communities. Changes to non statutory community transport, Children, Young People and Families transformation and the policy on winter grit bins has required us to work closely with providers, District, Borough and Parish Councils and the VCSE sector to minimise any potential negative impact.
  - **Communities** – Similarly working with individuals, communities and the VCSE sector to improve localities and minimise the impact of change has proved successful in a number of areas, such as growing alternative community transport options and stocking of winter grit bins.

### 3. Impacts of Covid-19

- 3.1. It is important to recognise within this MTFS CIA, the significant impact that the Coronavirus pandemic has had on the work of the Council and some of our most vulnerable groups.
- 3.2. In June 2020 as lockdown restrictions eased, Cabinet endorsed the Council's approach to recovery and a Community Impact Assessment was undertaken to understand the impact of Covid-19 on Staffordshire. In addition to this wider learning, a Staffordshire Covid-19 Residents Survey was also carried out between August and September 2020 to further inform how the pandemic has affected residents and actions needed to be taken to help Staffordshire's communities and businesses recover. You can view the survey findings [here](#).

3.3. Overall, a number of key groups have been identified as negatively impacted more than others:

- **Elderly** and individuals with a **disability/limiting illness** – who are not only at greater risk of Covid-19 but also suffer the wider implications of lockdown such as digital exclusion, access to healthcare, and wellbeing impacts such loneliness and isolation.
- **Younger people** – who not only experienced a disruption to their education, but also reported personal impacts associated with limited social interaction and impact on their emotional wellbeing.
- Those **furloughed** – who reported an overall worst experience during the pandemic, driven by the impact on household finances and concerns regarding their employment situation.

3.4. It is vital these Covid-19 impacts, and wider learning are considered alongside the Council's MTFS decision making process.

#### 4. MTFS CIA (2021/22) – Summary of Key Findings

4.1. A refresh of the MTFS CIA has been undertaken, in line with the production of the MTFS 2021-26. This is to ensure we identify any additional saving options proposed by the MTFS and consider the cumulative impacts of any changes. **This analysis can be seen at Appendix B to this report.**

4.2. The table at Appendix B provides an assessment of the potential impacts on communities, based on proposals set out in the refreshed MTFS for 2021-26, as well as an overall community impact rating for the respective Council business area.

4.3. As this year's MTFS is largely a refresh, along with service delays experienced due to Covid-19, many of the current MTFS CIA priorities remain relevant for the upcoming year. The assessment identified only one additional savings proposal as having a potential high impact on our communities and the places they live:

- Home care policy on high cost packages

4.4. Each of these areas of work will have full and detailed individual service CIAs as part of the Council's CIA process. Where a CIA has already been undertaken, regular updates and monitoring will be completed and recorded in the assessment as changes progress to ensure they remain up to date and relevant.

4.5. The assessment also identified cumulative impacts for key groups / areas potentially most impacted by the above CIA priorities:

- **Disability** – There are several savings proposals in the MTFS that result in changes to people with learning disabilities across both Families and Communities and Health and Care. These include the Community Offer for Learning Disabilities, the

Learning Disability Review programme, and the Children, Young People and Families Transformation Phase 2 (which includes the SEND review). Wider impacts of Covid-19 on this cohort also need to be considered in individual service CIAs to identify any risks of a change to service and mitigations to minimise the impact.

- **Children and Young People/Families** – The Children, Young People and Families Transformation Phase 2 is a long-term programme which will continue to implement a whole system approach for children and families.. The programme will change how services are delivered and received; and will impact upon several different cohorts, particularly children and young people, their families and carers, and children and young people with disabilities. Continuing to monitor and mitigate any impacts as change is implemented will be vital in the coming year. Wider Covid-19 impacts also reinforce young people’s emotional wellbeing been a key negative impact and will need to factor into wider service developments for these communities.
- **Localities** – Several of the proposed savings options identified in the refreshed MTFs 2021-26 will involve working with local communities and our partners in District, Borough and Parish Councils, as well as with the VCSE sector and Providers. These include the Children, Young People and Families Transformation Phase 2, Community Offer for Learning Disabilities, Review of Countryside Estates and Rights of Way and minimising any potential impact from the Reduction in Stock of Winter Grit Bins for winter 2020.

## 5. Revised MTFs Community Impact Assessment Priorities for 2021/22

- 5.1. Following ongoing work to review the existing CIA priorities from last year’s MTFs CIA, and the above assessment of the latest proposals set out in the MTFs 2021-26, a refreshed list of **five CIA priorities** is set out below.
- 5.2. This list is a combination of existing priorities from 2020/21 that are still to be implemented and/or impact monitored, along with new options proposed in the revised MTFs for 2021/22 that has the highest potential impact on communities:
  - Children, Young People and Families transformation phase 2 (including SEND).
  - Community Offer for Learning Disabilities.
  - Savings to Mental Health Recovery Service.
  - Home Care Policy on High Cost Packages.
  - Rural Review and Reorganisation (including countryside estates and rights of way).
  - Also, ongoing review and monitoring of Policy on Winter Grit Bins (and any potential service change to Winter Service if appropriate).
- 5.3. The MTFs CIA governance process will ensure an ongoing dialogue and analysis with partners on the implementation of these CIA priorities, to ensure any potential impacts on communities are mitigated where possible.

- 5.4. The work of the MTFS CIA Task and Finish Group will also bring together CIA service leads for the work listed above to share progress, discuss emerging cumulative impacts, develop cross-cutting mitigations and act as a mechanism for the ongoing monitoring and review of these at a corporate level.
- 5.5. This will accompany individual service CIAs in line with our corporate CIA policy. The individual CIAs will consider in greater depth the specific impacts for each of these workstreams on our communities, and how we can work with local partners, members, the VCSE sector and communities to mitigate any potentially negative impacts.
- 5.6. In addition to identified MTFS CIA priorities, consideration will need to be given to potential social and equality impacts of Brexit on both the general population and our more vulnerable groups. The extent of the impacts will depend upon the type of Brexit that occurs, but it is likely that any long term, systemic change could have specific impacts for equalities groups. These will need to be addressed as part of service change and in line with our CIA Policy.
- 5.7. It is therefore more important than ever, that community impact is considered alongside the Council's MTFS decision making processes.

## **6. Next Steps**

The MTFS CIA Task and Finish Group membership will be refreshed, and continue to meet regularly to monitor progress and discuss cross-cutting impacts.

## Appendix A - Current MTFS CIA Priorities - 2020/21 - Progress Update

MTFS Proposal	CIA Implementation Update	Community Impact & Mitigations
<p><b>Removal of non-statutory Community Transport</b></p>	<ul style="list-style-type: none"> <li>• Changes approved as part of a Member delegated decision, with a full CIA</li> <li>• Funding for Community Transport ceased in April 2019</li> <li>• Ongoing monitoring of impacts has been in place</li> </ul>	<ul style="list-style-type: none"> <li>• Funding for community transport was withdrawn, not the transport itself. The majority of community transport operators able to continue by increasing fares or finding alternative funding. One transport scheme has been withdrawn since implementation (minibus scheme in Tamworth), however the number of voluntary car schemes in operation has increased.</li> <li>• SCC have continued to monitor the impact on affected transport groups, whilst also working with the voluntary sector providers and partners to ensure there are transport options in each district to mitigate negative impacts.</li> <li>• Recommended that this no longer remains a MTFS CIA priority.</li> </ul>
<p><b>Review of non-statutory activities regarding appointeeships</b></p>	<ul style="list-style-type: none"> <li>• The transfer to pre-paid cash cards for all appointees irrespective of disability or impairment took place successfully on 1<sup>st</sup> Oct 2019</li> <li>• CIA was refreshed to reflect changes and known impacts</li> <li>• Ongoing monitoring of impacts has been in place</li> </ul>	<ul style="list-style-type: none"> <li>• Small group of residents potentially affected by the work (circa 400), mainly people with disabilities and their carers.</li> <li>• Majority of community feedback on the changes was positive.</li> <li>• Mitigations put in place to ensure all affected by the changes supported.</li> <li>• Fully operational for more than 12 months, no more unforeseen impacts likely. Positive changes, particularly in light of Covid-19, in terms of people being able to receive funds without having to go to offices to collect cash.</li> <li>• Recommended that this no longer remains a MTFS CIA priority.</li> </ul>
<p><b>Review policy on winter grit bins from winter 2019</b></p>	<ul style="list-style-type: none"> <li>• Engagement with key stakeholders took place during October 2019</li> <li>• Changes went live during the winter season of 2019/20</li> <li>• Full CIA developed</li> </ul>	<ul style="list-style-type: none"> <li>• Older people, people with disabilities and people in rural communities were identified as potentially most impacted by the changes.</li> <li>• Only communities with a 'low priority' grit bin were affected by one pre-season re-stock, minimising the impact.</li> <li>• All existing grit bins and registered Ice Buster assets were fully stocked at the start of the 2019 winter season, and will be for each subsequent year.</li> <li>• Forms a key part of the Council's #DoingOurBit workstream, aimed at encouraging people to look after their family's wellbeing and to help keep local areas safe.</li> <li>• Grit bins at higher risk sites are re-stocked during each winter season as required.</li> </ul>

MTFS Proposal	CIA Implementation Update	Community Impact & Mitigations
		<ul style="list-style-type: none"> <li>• A campaign was undertaken during the 2019/20 winter season offering communities guidance on how to use salt efficiently and how to make local arrangements to replenish supplies as necessary and this is available on the Council's website.</li> <li>• No impacts following the 2019/20 winter season have been identified, however important to note this may be as a result of a mild winter.</li> <li>• Recommended that this remains a MTFS priority for review following the 2020 winter season.</li> </ul>
<b>Rural review and reorganisation</b>	<ul style="list-style-type: none"> <li>• Presented to Cabinet, with a full CIA in March 2019.</li> <li>• Review of wider staffing structures commenced in January 2020, however placed on hold due to Covid-19.</li> <li>• The staffing reorganisation is now being reviewed following consultation with staff/trade unions feedback and learning from Covid-19.</li> <li>• The next phase of the Countryside Estates work is under review and will be considered early in 2021, with an updated CIA to reflect any changes as/when work recommences.</li> </ul>	<ul style="list-style-type: none"> <li>• The biggest impact will be on the rural communities where the Country Parks are situated. Transfer of some countryside sites to partners will aim to mitigate impacts, however concerns regarding feasibility of transfer following the impact that Covid-19 has had on the environmental and charity sector.</li> <li>• Staff will be impacted, and in line with HR process will be consulted along with Trade Unions.</li> <li>• Concerns regarding capacity and resilience of the service in the face of significantly increasing demand due to Covid-19 have been highlighted.</li> <li>• It is recommended this remains a MTFS CIA priority and revisited following the outcome of the review and upcoming discussions.</li> </ul>
<b>Children, Young People and Families transformation phase 2</b>	<ul style="list-style-type: none"> <li>• A full CIA produced alongside Cabinet report Nov 2020</li> <li>• Changes expected to be positive any risks of programme to be monitored and mitigations in place to reduce potential negative impacts.</li> </ul>	<ul style="list-style-type: none"> <li>• This is a long term <b>Children, Young People and Families Transformation</b> programme aimed at implementing a whole system approach for children and families and to provide a financially sustainable model that ensures children with social care needs remain or return to their family (or extended family network) where it is safe and appropriate to do so, and children with SEND receive the right support at the right time.</li> </ul>

MTFS Proposal	CIA Implementation Update	Community Impact & Mitigations
	<ul style="list-style-type: none"> <li>Will run until 2023/24.</li> </ul>	<ul style="list-style-type: none"> <li>Progress on the second phase was initially paused due to Covid-19 but has now restarted, specifically the development of a proposed district model and pathways and processes for support.</li> <li>The SEND transformation has been considered a priority and therefore continued throughout the pandemic, including SEND public engagement. Findings will inform the development of a Staffordshire SEND strategy and help to identify any potential impacts and mitigations.</li> <li>Changes are expected to be positive for communities, with any risks continuing to be monitored and reviewed as part of the existing MTFS CIA in place.</li> <li>It is recommended that this remains a MTFS CIA priority to ensure the ongoing review of impacts.</li> </ul>
<p><b>Community Offer for Learning Disabilities</b></p>	<ul style="list-style-type: none"> <li>Work was agreed by Cabinet in October 2019, however Covid-19 had an impact upon commencement and completion of some service changes.</li> <li>Further update report and CIA was considered by Cabinet in November 2020.</li> <li>Subsequent CIAs will be undertaken alongside service reviews</li> </ul>	<ul style="list-style-type: none"> <li><b>Community Offer for Learning Disabilities</b> will see changes to the way we provide services to some adults with learning disabilities and/or autism, who are in receipt of services across the county. The purpose of these changes is to ensure there are appropriate and sustainable services across the county to meet support needs.</li> <li>Changes will include reviewing and refreshing respite care, residential care, and day services. Provider Services will be creating an integrated model of care which encompasses community-based support in addition to building-based services.</li> <li>Progress since August 2020 includes: <ul style="list-style-type: none"> <li>The tenders of Greenfield House and Horninglow Bungalows re-commenced in October and that is progressing.</li> <li>We will be undertaking a service review of day opportunities and respite, commencing February 2021.</li> <li>We are currently reviewing building options for residential care, respite and day opportunities services.</li> </ul> </li> <li>Given further service change it is recommended that this remains a MTFS CIA priority with ongoing review of impacts.</li> </ul>
<p><b>Savings to Mental Health Recovery Service</b></p>	<ul style="list-style-type: none"> <li>Due to the Covid-19 pandemic and the increased need for support the decision was made to extend the contract rather than recommission</li> </ul>	<ul style="list-style-type: none"> <li><b>Savings to Mental Health Recovery services</b> involves recommissioning the services to focus on promoting independence and mental well-being through a community-based model. This may result in some people seeing a change to their service although assessed eligible needs will continue to be met.</li> </ul>

MTFS Proposal	CIA Implementation Update	Community Impact & Mitigations
	<ul style="list-style-type: none"> <li>A full CIA will be undertaken as part of the decision-making process</li> </ul>	<ul style="list-style-type: none"> <li>Contracts with the three current providers, jointly funded with the CCG, have now been extended and will end on the 31 March 2022.</li> <li>Discussions will be held with the CCG in the early part of 2021 to understand and confirm their commissioning intentions from 1 April 2022 onwards, where a new service will need to be commissioned.</li> <li>Recommended that this is reviewed as part of the development of the MTFS CIA 2022/23.</li> </ul>

## Appendix B – MTFs Community Impact Assessment for 2021/22

The table below is an assessment of **potential medium and high community impact** for each key Council business area, with a summary of the service option as proposed in the MTFs, and an associated impact rating. As many of these are in still in development and subject to consultation or engagement, the outcome and potential impact for communities may not yet be known. We will therefore continue to record and monitor the cumulative impact of these, and where there is significant change proposed ensure individual service CIAs are conducted, reviewed as appropriate.

Area	Programme	Group/Protected characteristics potentially affected	Overall Potential impact rating	Commentary / rationale
Health and Care		Age (older people) Disabilities (particularly learning disabilities and mental health) Staff	High	<p><b>Community Offer for Learning Disabilities</b> will see changes to the way we provide services to some adults with learning disabilities and/or autism, who are in receipt of services across the county. The purpose of these changes is to ensure there are appropriate and sustainable services across the county to meet support needs. Changes will include reviewing and refreshing respite care, residential care, and day services. Provider Services will be creating an integrated model of care which encompasses community-based support in addition to building-based services. CIAs will be undertaken alongside service reviews.</p> <p><b>Savings to Mental Health Recovery services</b> involves recommissioning the services to focus on promoting independence and mental well-being through a community-based model. This may result in some people seeing a change to their service, although assessed eligible needs will continue to be met. A new service will need to be commissioned from 1 April 2022 onwards.</p> <p>The <b>Learning Disability Review programme</b> and <b>Mental Health Market savings</b> will involve reviewing currently provided care to ensure it meets assessed eligible needs in the most cost effective way. This may result in some people seeing a change to their service although assessed eligible needs will continue to be met.</p> <p><b>Accommodation Based Care</b> - review of high cost placements to reflect people's care needs whilst ensuring cost effectiveness could result in</p>

Area	Programme	Group/Protected characteristics potentially affected	Overall Potential impact rating	Commentary / rationale
				<p>potential changes to some services users' care, although assessed eligible needs will continue to be met. This would be undertaken as part the Council's routine process for annual reviews and any change would involve a robust risk assessment to ensure the individual needs and family circumstances are taken into account in line with current policy.</p> <p><b>Home Care Policy on High Cost Packages</b> – changes to high cost packages may result in some people being moved into residential care or changes to home care provision where the assessed need considers this to be the safest option for the individual. A robust assessment would be undertaken and assessed eligible needs will continue to be met.</p> <p>A full CIA is either in place, or will be undertaken as part of any service review or change, with ongoing monitoring of impact and mitigations.</p>
Families and Communities	Children's services	Age (young people) Disability (SEND) Carers Sex (female) Pregnancy Staff	High	<p>This is a long term <b>Children, Young People and Families</b> transformation programme, with the aim of implementing a whole system approach for children and families and a financially sustainable model which ensures that children with social care needs remain or return to their family (or extended family network) where it is safe and appropriate to do so, and children with SEND receive the right support at the right time.</p> <p>The programme will change how services are delivered and received; and will impact upon several different cohorts, particularly children and young people, their families and carers, and children and young people with disabilities.</p> <p>These changes are expected to be positive for communities, to ensure the ongoing monitoring and review of any potential impacts and mitigations, this will remain an MTFS CIA priority for 2021/22.</p> <p>The existing CIA will remain in place and updated as appropriate in line with any service change.</p>

Area	Programme	Group/Protected characteristics potentially affected	Overall Potential impact rating	Commentary / rationale
	Rural	All Localities Staff	Medium	<p>The next phase of the <b>Review of Countryside Estates and Rights of Way</b> is being reviewed and will be discussed early in 2021, as a result of delays due to Covid-19. We will continue to work with partners and community re potential site transfers. In terms of the <b>Rural Review and Reorganisation</b> that is being carried over from last year's MTFs CIA, the staffing reorganisation is being reviewed following consultation with staff/trade unions feedback and learning from Covid-19. Concerns regarding capacity and resilience of the service in the face of significantly increasing demand are currently being explored.</p> <p>Transfer of some countryside sites to partners aims to mitigate impacts, however concerns regarding feasibility of transfer following the impact that Covid-19 has had on the environmental and charity sector will need to be taken into account.</p> <p>The biggest impact will be on the rural communities where the Country Parks are situated.</p> <p>Dependent on the outcome of the review, an updated Community Impact Assessment will be carried out as part of any further service change.</p>
	Infrastructure and Highways	Elderly Disabled	Medium	<p>Pressures on <b>Winter Service</b> (gritting of road network) have been identified from 2021/22 and needs consideration. Options are yet to be explored, but may involve considering a change to service.</p> <p>In addition, the implementation of last year's <b>Policy on Winter Grit Bins</b> from winter 2019 continues to be monitored, where communities with 'low priority' grit bins receive only one pre-season re-stock. Higher risk sites are however restocked when required. People with disabilities and people in rural communities were identified as potentially most impacted by the changes with wide ranging mitigations implemented. Positively no impacts have been reported to date, however it will be important to regularly review mitigations set out in the CIA as we head into the 2020 winter season.</p>

Area	Programme	Group/Protected characteristics potentially affected	Overall Potential impact rating	Commentary / rationale
	Transport Policy	Young People and Families	Low / Medium	<p><b>Review of discretionary school travel policy</b></p> <p>Whilst this MTFS savings proposal is scheduled for 2022, should this be progressed consideration of both policy and possible consultation with key groups may need to commence during 2021. Therefore, the MTFS Task and Finish Group will support and maintain oversight of this option during the coming year.</p>
Corporate	Assets	Localities	Low / medium	<p>It is unlikely that the <b>Property Rationalisation</b> work taking place across the county, as part of the move to smart working, will impact on community and partner used buildings / premises. However, plans are currently being developed on a district by district basis, and if any community or partner used assets are considered for rationalisation, engagement with the relevant affected parties will take place first, and the community impact will be considered as part of the decision making process.</p>

## HEALTH AND CARE

Appendix 3a

### Projected Pressures, Cost Reduction Options and Investments

Description	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
<b>Care Commissioning</b>					
<b>Community Impact Assessment Rating - Medium</b>					
<b>Original Service Spending Pressures</b>					
<b>Total Service Spending Pressures Approved in February 2020</b>	<b>10.345</b>	<b>21.334</b>	<b>32.476</b>	<b>43.886</b>	<b>55.296</b>
<b>Projected Changes to Original Service Spending Pressures</b>					
The Learning Disability Service continues to face increasing costs because of the costs of younger adults who need our care and support. This cost pressure is being managed through our new Preparing For Adulthood care pathway.	(0.250)	(0.250)	(0.250)	(0.250)	(0.250)
<b>Total Projected Changes to Service Spending Pressures Approved in February 2020</b>	<b>(0.250)</b>	<b>(0.250)</b>	<b>(0.250)</b>	<b>(0.250)</b>	<b>(0.250)</b>
<b>New Service Projected Pressures</b>					
Following a legal challenge it has been decided that Care providers must pay the National Living Wage to Care workers who are required to be available to provide care if required throughout the night.	0.500	0.500	0.500	0.500	0.500
Commissioner staffing	0.050	0.050	0.050	0.050	0.050
The council is working in partnership with local NHS partners to help people with Learning Disabilities and Autism to move from being NHS inpatients into the community so that they can live as normal a life as possible. This is creating a financial pressure for the council.	0.000	1.000	1.000	1.000	1.000
The council has experienced an increase in Mental Health placement costs which has led to a shortfall in the budget in this area. It is expected that the Covid-19 pandemic will also lead to increased referrals for Mental Health support. The council is working with its NHS partners to look to find better and more cost effective ways of supporting people with Mental Health difficulties to reduce the need for them to be placed into residential care.	0.375	0.375	0.375	0.375	0.375
2020/21 onwards impact of rising cost of new older people residential and nursing placements	5.000	5.100	5.200	5.300	5.400
Demographic change is recognised widely as a key risk facing national and local government. The efficiency savings are intended to manage this pressure and prepare for an anticipated escalation over the next 25 years.	2.000	2.000	2.000	2.000	2.000
<b>New Service Projected Pressures Total</b>	<b>7.925</b>	<b>9.025</b>	<b>9.125</b>	<b>9.225</b>	<b>9.325</b>
<b>Total Service Cost Reductions Approved in February 2020</b>	<b>(3.036)</b>	<b>(5.180)</b>	<b>(6.857)</b>	<b>(8.553)</b>	<b>(8.553)</b>

KEY: 1.000 = £1m of pressure or loss of income  
(1.000) = £1m cost reduction or additional income

## HEALTH AND CARE

Appendix 3a

### Projected Pressures, Cost Reduction Options and Investments

Description	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
<b>Projected Changes to Original Service Cost Reductions</b>					
Use of adult placement services for people with physical disabilities as well as people with learning disabilities rather than residential care, if in their interest.	0.018	0.037	0.037	0.037	0.037
Review the top 10% of high cost placements with a view to ensuring cost of placements reflect peoples needs and generating additional contributions from Health partners.	(0.018)	(0.037)	(0.037)	(0.037)	(0.037)
Commissioner staffing & care Market Staffing - saving will not be achieved due to staffing requirements as the Council responds to the Covid pandemic	0.155	0.155	0.155	0.155	0.155
Unachievable efficiencies on equipment contract	0.100	0.100	0.100	0.100	0.100
Moving home care provision from non-contracted to contracted providers who can offer the service at a lower cost.	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)
A review of In-House services provided by the council has been carried out and there will be changes to some of our own in-house services to ensure they effectively meet need. The project has also stimulated the market to ensure services are provided in the most cost effective manor to meet eligible need.	0.541	0.000	0.000	0.000	0.000
Improving how we communicate with eligible adult social care users about the amount available within their indicative personal budget. Offering a range of mechanisms for people to exercise their choice and control including increasing the numbers taking direct payment.	1.200	0.700	0.000	0.000	0.000
Working with Midlands Partnership NHS Foundation Trust (MPFT) to reduce the costs of care packages and placements for people with mental health conditions, whilst ensuring that their assessed eligible needs continue to be met.	0.125	0.125	0.125	0.125	0.125
Reduce nursing care placement costs by developing and using additional capacity at the Hillfield site.	0.395	0.195	0.000	0.000	0.000
Reduce nursing care placement costs by developing two new nursing care homes.	0.135	0.500	0.028	0.018	0.000
Review the top 10% of high cost nursing and residential care placements with a view to ensuring that they continue to meet people's assessed eligible needs at lower cost or with greater income.	0.250	0.000	0.000	0.000	0.000
<b>Total Projected Changes to Service Cost Reductions Approved in February 2020</b>	<b>2.401</b>	<b>1.275</b>	<b>(0.092)</b>	<b>(0.102)</b>	<b>(0.120)</b>
<b>New Service Cost Reduction Options</b>					
Following a review of our contracting arrangement for our Advocacy Service an opportunity for realising a reduction in cost has been identified.	(0.150)	(0.150)	(0.150)	(0.150)	(0.150)
Following a review of our Mental Health contracts an opportunity for realising a reduction in cost has been identified.	(0.200)	(0.200)	(0.200)	(0.200)	(0.200)
Following engagement with local providers of Supported Living schemes, the council has agreed to stop paying voids to providers when units become vacant for periods during the year. This will reduce the cost of providing Supported Living accommodation across the county.	(0.500)	(0.500)	(0.500)	(0.500)	(0.500)
Single management team	(0.050)	(0.100)	(0.100)	(0.100)	(0.100)
Commissioner staffing	(0.030)	(0.070)	(0.070)	(0.070)	(0.070)

## HEALTH AND CARE

Appendix 3a

### Projected Pressures, Cost Reduction Options and Investments

Description	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Older people direct payments: identify and remove excess costs	(0.050)	(0.100)	(0.100)	(0.100)	(0.100)
Trusted assessor	(0.050)	(0.100)	(0.100)	(0.100)	(0.100)
Home care: policy on high cost packages - above a certain level to go to residential care or pay top up	(0.050)	(0.100)	(0.100)	(0.100)	(0.100)
Redundancy budget reduction due to lower costs from loans being paid off	(0.200)	(0.200)	(0.200)	(0.200)	(0.200)
Reduce nursing care placement costs through the use block booked beds rather than spot purchasing from the market.	0.000	(0.760)	(0.760)	(0.760)	(0.760)
<b>New Service Cost Reduction Options Total</b>	<b>(1.280)</b>	<b>(2.280)</b>	<b>(2.280)</b>	<b>(2.280)</b>	<b>(2.280)</b>
Total Pressures	18.020	30.109	41.351	52.861	64.371
Total Cost Reductions	(1.915)	(6.185)	(9.229)	(10.935)	(10.953)
<b>Service Total</b>	<b>16.105</b>	<b>23.924</b>	<b>32.122</b>	<b>41.926</b>	<b>53.418</b>

<b>Adult Social Care and Safeguarding</b>	<b>Community Impact Assessment Rating - Medium</b>
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<b>New Service Projected Pressures</b>					
The staffing and running costs of the council's Directly Provided Services for people with a Learning Disability have increased due to the Covid-19 pandemic and the staff vacancy factors built into the budgets are not being met. This covers the residential homes and the day centres run by the council.	0.650	0.650	0.650	0.650	0.650
Increase in social care resource capacity to manage referrals from home first and continue arrangements for support planning.	0.154	0.154	0.154	0.154	0.154
Increase in social care resource capacity to manage referrals from home first and continue arrangements for support planning. To replace non-recurrent funding in order to continue delivery of improved outcomes.	0.200	0.200	0.200	0.200	0.200
<b>New Service Projected Pressures Total</b>	<b>1.004</b>	<b>1.004</b>	<b>1.004</b>	<b>1.004</b>	<b>1.004</b>

<b>Total Service Cost Reductions Approved in February 2020</b>	<b>(0.332)</b>	<b>(0.418)</b>	<b>(0.873)</b>	<b>(0.873)</b>	<b>(0.873)</b>
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<b>New Service Cost Reduction Options</b>					
Implementation of Mental Health One offer will provide additional resilience for the Mental Health North team and remove cost of hiring agency Social Workers.	(0.154)	(0.154)	(0.154)	(0.154)	(0.154)
<b>New Service Cost Reduction Options Total</b>	<b>(0.154)</b>	<b>(0.154)</b>	<b>(0.154)</b>	<b>(0.154)</b>	<b>(0.154)</b>

**HEALTH AND CARE**

Appendix 3a

## Projected Pressures, Cost Reduction Options and Investments

Description	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Total Pressures	1.004	1.004	1.004	1.004	1.004
Total Cost Reductions	(0.486)	(0.572)	(1.027)	(1.027)	(1.027)
<b>Service Total</b>	<b>0.518</b>	<b>0.432</b>	<b>(0.023)</b>	<b>(0.023)</b>	<b>(0.023)</b>
<b>Total Health &amp; Care Pressures and Cost Reductions</b>	<b>16.623</b>	<b>24.356</b>	<b>32.099</b>	<b>41.903</b>	<b>53.395</b>
<b>Inflation</b>	<b>1.014</b>	<b>2.379</b>	<b>3.876</b>	<b>5.407</b>	<b>6.975</b>
<b>Health &amp; Care Grand Total</b>	<b>17.637</b>	<b>26.735</b>	<b>35.975</b>	<b>47.310</b>	<b>60.370</b>

**FAMILIES AND COMMUNITIES**  
Projected Pressures, Cost Reduction Options and Investments

Appendix 3b

Description	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
<b>Children's Services</b>					
<b>Community Impact Assessment Rating - Medium</b>					
<b>Total Service Spending Pressures Approved in February 2020</b>	<b>0.016</b>	<b>0.032</b>	<b>0.032</b>	<b>0.032</b>	<b>0.032</b>
<b>New Service Projected Pressures</b>					
Reduced income from Residential Disability respite places	0.050	0.000	0.000	0.000	0.000
<b>New Service Projected Pressures Total</b>	<b>0.050</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Service Cost Reductions Approved in February 2020</b>	<b>(4.530)</b>	<b>(8.532)</b>	<b>(10.997)</b>	<b>(12.501)</b>	<b>(12.501)</b>
<b>Projected Changes to Original Service Cost Reductions</b>					
Reprofiled Children in our Care placement savings	6.400	6.313	4.355	2.235	0.000
Delayed re-configuration of workforce saving	0.050	0.000	0.000	0.000	0.000
<b>Total Projected Changes to Service Cost Reductions Approved in February 2020</b>	<b>6.450</b>	<b>6.313</b>	<b>4.355</b>	<b>2.235</b>	<b>0.000</b>
<b>New Investment</b>					
Court Team increased capacity to meet demand	(0.445)	(0.445)	(0.445)	(0.445)	(0.445)
Implementation of cluster model to better manage existing workloads	(0.747)	(0.747)	(0.747)	(0.747)	(0.747)
Children in our Care (CIOC) FSW to support the return home of children safely	(0.428)	(0.428)	(0.428)	(0.428)	(0.428)
CIOC SGO and Legal costs to support an increased number of children on special guardianship orders	(0.287)	(0.287)	(0.287)	(0.287)	(0.287)
Placements Officer to improve the capacity to commission appropriate placements and reduce the numbers that require residential provision.	(0.033)	(0.033)	(0.033)	(0.033)	(0.033)
Implementation of a Restorative Practice model working with children and their families to encourage more effective working relationships	(0.015)	(0.017)	(0.025)	(0.040)	(0.040)
Adult Specialist workers in District Teams to address the root cause of problems	0.810	0.810	0.000	0.000	0.000
<b>New Investment Total</b>	<b>(1.145)</b>	<b>(1.147)</b>	<b>(1.965)</b>	<b>(1.980)</b>	<b>(1.980)</b>
<b>New Invest to Save</b>					
Delayed Childrens Workforce Transformation (1 April 2021 to 1 July 2021)	0.520	0.000	0.000	0.000	0.000
<b>New Invest to Save Total</b>	<b>0.520</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Total Pressures	0.066	0.032	0.032	0.032	0.032
Total Cost Reductions	1.920	(2.219)	(6.642)	(10.266)	(12.501)
Total Investments	(0.625)	(1.147)	(1.965)	(1.980)	(1.980)
<b>Service Total</b>	<b>1.361</b>	<b>(3.334)</b>	<b>(8.575)</b>	<b>(12.214)</b>	<b>(14.449)</b>

**FAMILIES AND COMMUNITIES**  
Projected Pressures, Cost Reduction Options and Investments

Appendix 3b

Description	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
<b>Education Services</b> <span style="float: right;">Community Impact Assessment Rating - Low</span>					
<b>Total Service Spending Pressures Approved in February 2020</b>	<b>(0.420)</b>	<b>(0.453)</b>	<b>(0.838)</b>	<b>(1.103)</b>	<b>(1.103)</b>
<b>Projected Changes to Original Service Spending Pressures</b>					
Transfer to EIS - Review of discretionary travel policy for school-age pupils	0.000	0.000	0.000	0.000	0.000
Non-delivery of anticipated reduction following implementation of the SEND transformation and a review of discretionary travel policy for nursery and post-16 age groups	0.400	0.580	0.700	0.700	0.700
Change in costs of home to school SEN transport relating to number of school days in a financial year.	0.100	(0.160)	0.000	0.160	0.080
Expected changes in SEN pupil numbers and diversity in destination bases.	0.040	0.110	0.340	0.560	0.790
<b>Total Projected Changes to Service Spending Pressures Approved in February 2020</b>	<b>0.540</b>	<b>0.530</b>	<b>1.040</b>	<b>1.420</b>	<b>1.570</b>
<b>New Service Projected Pressures</b>					
SEND Transport - expected increase in costs	3.500	3.500	3.500	3.500	3.500
SEND Stabilisation - business case changes ongoing	0.362	0.362	0.362	0.362	0.362
Education Psychology - loss of income	0.120	0.000	0.000	0.000	0.000
<b>New Service Projected Pressures Total</b>	<b>3.982</b>	<b>3.862</b>	<b>3.862</b>	<b>3.862</b>	<b>3.862</b>
<b>New Service Cost Reduction Options</b>					
Increase in ESG approved by Schools Forum	(0.097)	(0.097)	(0.097)	(0.097)	(0.097)
<b>New Service Cost Reduction Options Total</b>	<b>(0.097)</b>	<b>(0.097)</b>	<b>(0.097)</b>	<b>(0.097)</b>	<b>(0.097)</b>
Total Pressures	4.102	3.939	4.064	4.179	4.329
Total Cost Reductions	(0.097)	(0.097)	(0.097)	(0.097)	(0.097)
<b>Service Total</b>	<b>4.005</b>	<b>3.842</b>	<b>3.967</b>	<b>4.082</b>	<b>4.232</b>
<b>Culture and Communities</b> <span style="float: right;">Community Impact Assessment Rating - Medium</span>					
<b>New Service Projected Pressures</b>					
Staffordshire Heritage Centre Approved business case for a 4 storey extension in partnership with National Lottery Heritage Fund. Assumes development is operational from 2023/24.	0.000	0.000	0.196	0.196	0.196

**FAMILIES AND COMMUNITIES**  
 Projected Pressures, Cost Reduction Options and Investments

Appendix 3b

Description	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Libraries - Customer base continues to be down from normal levels and will not likely recover fully ahead of the new financial year, impacting on the level of income receivable in 2021/22 (e.g. room hire, printing etc)	0.100	0.000	0.000	0.000	0.000
<b>New Service Projected Pressures Total</b>	<b>0.100</b>	<b>0.000</b>	<b>0.196</b>	<b>0.196</b>	<b>0.196</b>
Total Pressures	0.100	0.000	0.196	0.196	0.196
<b>Service Total</b>	<b>0.100</b>	<b>0.000</b>	<b>0.196</b>	<b>0.196</b>	<b>0.196</b>
<b>Rural</b>					
<b>Community Impact Assessment Rating - Medium</b>					
<b>New Service Projected Pressures</b>					
Non-delivery of prior year savings	0.340	0.340	0.000	0.000	0.000
Lost income - deflated economy post covid likely to impact on rental income, sales etc.	0.030	0.000	0.000	0.000	0.000
<b>New Service Projected Pressures Total</b>	<b>0.370</b>	<b>0.340</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Total Pressures	0.370	0.340	0.000	0.000	0.000
<b>Service Total</b>	<b>0.370</b>	<b>0.340</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Families &amp; Communities Pressures and Cost Reductions</b>	<b>5.836</b>	<b>0.848</b>	<b>(4.412)</b>	<b>(7.936)</b>	<b>(10.021)</b>
<b>Inflation</b>	<b>2.607</b>	<b>7.004</b>	<b>11.495</b>	<b>16.137</b>	<b>20.882</b>
<b>Families &amp; Communities Grand Total</b>	<b>8.443</b>	<b>7.852</b>	<b>7.083</b>	<b>8.201</b>	<b>10.861</b>

**ECONOMY, INFRASTRUCTURE AND SKILLS**  
Projected Pressures, Cost Reduction Options and Investments

Appendix 3c

Description	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
<b>Economic Development &amp; Strategic Planning</b>					
					Community Impact Assessment Rating - Low
<b>New Service Projected Pressures</b>					
Economic Recovery - supporting business post Covid-19	1.000	1.000	1.000	1.000	1.000
Reduced income due to drop in demand due to Covid-19 pandemic (NTC parking, SBEN memberships and DMP)	0.050	0.025	0.000	0.000	0.000
<b>New Service Projected Pressures Total</b>	<b>1.050</b>	<b>1.025</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>
Total Pressures	1.050	1.025	1.000	1.000	1.000
<b>Service Total</b>	<b>1.050</b>	<b>1.025</b>	<b>1.000</b>	<b>1.000</b>	<b>1.000</b>
<b>Infrastructure &amp; Highways</b>					
					Community Impact Assessment Rating - High
<b>Total Service Spending Pressures Approved in February 2020</b>	<b>0.030</b>	<b>(0.270)</b>	<b>(0.370)</b>	<b>(0.370)</b>	<b>(0.370)</b>
<b>Projected Changes to Original Service Spending Pressures</b>					
Reflection of the continued ongoing growth in size of the road network.	0.000	0.050	0.100	0.150	0.200
Reduced income due to drop in customer demand due to Covid-19 pandemic (e.g. on-street parking charges and PCN's, Bus Lane PCN's)	0.300	0.250	0.200	0.150	0.100
<b>Total Projected Changes to Service Spending Pressures Approved in February 2020</b>	<b>0.300</b>	<b>0.300</b>	<b>0.300</b>	<b>0.300</b>	<b>0.300</b>
<b>New Service Projected Pressures</b>					
Winter Service - current budget does not meet the cost of an average winter, which impacts on other routine & reactive works.	0.300	0.300	0.300	0.300	0.300
Reinstate budget for weed treatments that was reduced as part of the 'environmental' highway savings made last year.	0.050	0.050	0.050	0.050	0.050
<b>New Service Projected Pressures Total</b>	<b>0.350</b>	<b>0.350</b>	<b>0.350</b>	<b>0.350</b>	<b>0.350</b>
Total Pressures	0.680	0.380	0.280	0.280	0.280
<b>Service Total</b>	<b>0.680</b>	<b>0.380</b>	<b>0.280</b>	<b>0.280</b>	<b>0.280</b>

**ECONOMY, INFRASTRUCTURE AND SKILLS**  
Projected Pressures, Cost Reduction Options and Investments

Appendix 3c

Description	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
<b>Transport, Connectivity &amp; Waste</b>	<b>Community Impact Assessment Rating - High</b>				
<b>Total Service Spending Pressures Approved in February 2020</b>	<b>0.199</b>	<b>0.819</b>	<b>0.519</b>	<b>0.519</b>	<b>0.519</b>
<b>Projected Changes to Original Service Spending Pressures</b>					
Change in costs of home to school mainstream transport relating to number of school days in a financial year.	0.080	(0.060)	0.000	0.060	0.030
Adjustment to forecast waste tonnage pressure	(0.119)	(0.332)	(0.031)	0.272	0.579
<b>Total Projected Changes to Service Spending Pressures Approved in February 2020</b>	<b>(0.039)</b>	<b>(0.392)</b>	<b>(0.031)</b>	<b>0.332</b>	<b>0.609</b>
<b>Original Service Savings</b>					
Reduction in Green Waste recycling credit payments	(0.500)	(1.100)	(1.100)	(1.100)	(1.100)
<b>Total Service Cost Reductions Approved in February 2020</b>	<b>(0.500)</b>	<b>(1.100)</b>	<b>(1.100)</b>	<b>(1.100)</b>	<b>(1.100)</b>
Total Pressures	0.160	0.427	0.488	0.851	1.128
Total Cost Reductions	(0.500)	(1.100)	(1.100)	(1.100)	(1.100)
<b>Service Total</b>	<b>(0.340)</b>	<b>(0.673)</b>	<b>(0.612)</b>	<b>(0.249)</b>	<b>0.028</b>
<b>Total Economy, Infrastructure &amp; Skills Pressures and Cost Reductions</b>	<b>1.390</b>	<b>0.732</b>	<b>0.668</b>	<b>1.031</b>	<b>1.308</b>
<b>Inflation</b>	<b>2.169</b>	<b>4.696</b>	<b>6.906</b>	<b>8.711</b>	<b>10.550</b>
<b>Economy, Infrastructure &amp; Skills Grand Total</b>	<b>3.559</b>	<b>5.428</b>	<b>7.574</b>	<b>9.742</b>	<b>11.858</b>

## CORPORATE SERVICES

Appendix 3d

### Projected Pressures, Cost Reduction Options and Investments

Description	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
<b>Assets</b>					
<b>New Service Projected Pressures</b>					
Loss of rental income in SP2 (CCG)	0.360	0.360	0.360	0.360	0.360
Further loss of income on SP2 2nd/3rd floor (previous saving from 19/20 unachieved due to Covid-19)	0.560	0.560	0.560	0.560	0.560
<b>New Service Projected Pressures Total</b>	<b>0.920</b>	<b>0.920</b>	<b>0.920</b>	<b>0.920</b>	<b>0.920</b>
<b>Total Service Cost Reductions Approved in February 2020</b>	<b>(0.370)</b>	<b>(0.620)</b>	<b>(0.720)</b>	<b>(0.720)</b>	<b>(0.720)</b>
<b>Projected Changes to Original Service Cost Reductions</b>					
Delay to Property Rationalisation (StraProp2) saving above due to coronavirus.	0.204	0.250	0.470	0.620	0.620
<b>Total Projected Changes to Service Cost Reductions Approved in February 2020</b>	<b>0.204</b>	<b>0.250</b>	<b>0.470</b>	<b>0.620</b>	<b>0.620</b>
Total Pressures	0.920	0.920	0.920	0.920	0.920
Total Cost Reductions	(0.166)	(0.370)	(0.250)	(0.100)	(0.100)
<b>Service Total</b>	<b>0.754</b>	<b>0.550</b>	<b>0.670</b>	<b>0.820</b>	<b>0.820</b>

## CORPORATE SERVICES

Appendix 3d

### Projected Pressures, Cost Reduction Options and Investments

Description	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
<b>Business Support &amp; Compliance</b>					
<b>New Service Projected Pressures</b>					
Additional Complaints Team	0.067	0.067	0.067	0.067	0.067
<b>New Service Projected Pressures Total</b>	<b>0.067</b>	<b>0.067</b>	<b>0.067</b>	<b>0.067</b>	<b>0.067</b>
Total Pressures	0.067	0.067	0.067	0.067	0.067
<b>Service Total</b>	<b>0.067</b>	<b>0.067</b>	<b>0.067</b>	<b>0.067</b>	<b>0.067</b>
<b>County Treasurers</b>					
<b>New Service Projected Pressures</b>					
New Insurance Arrangements with schools	2.220	2.220	2.220	2.220	2.220
<b>New Service Projected Pressures Total</b>	<b>2.220</b>	<b>2.220</b>	<b>2.220</b>	<b>2.220</b>	<b>2.220</b>
Total Pressures	2.220	2.220	2.220	2.220	2.220
<b>Service Total</b>	<b>2.220</b>	<b>2.220</b>	<b>2.220</b>	<b>2.220</b>	<b>2.220</b>

**CORPORATE SERVICES**

Appendix 3d

Projected Pressures, Cost Reduction Options and Investments

Description	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
<b>Governance</b>					
<b>Total Service Pressures Approved in February 2020</b>	<b>(0.032)</b>	<b>(0.077)</b>	<b>(0.099)</b>	<b>(0.118)</b>	<b>(0.118)</b>
Total Pressures	(0.032)	(0.077)	(0.099)	(0.118)	(0.118)
<b>Service Total</b>	<b>(0.032)</b>	<b>(0.077)</b>	<b>(0.099)</b>	<b>(0.118)</b>	<b>(0.118)</b>
<b>Total Corporate Services Pressures and Cost Reductions</b>	<b>3.009</b>	<b>2.760</b>	<b>2.858</b>	<b>2.989</b>	<b>2.989</b>
<b>Inflation</b>	<b>0.389</b>	<b>1.608</b>	<b>2.855</b>	<b>4.128</b>	<b>5.429</b>
<b>Corporate Services Grand Total</b>	<b>3.398</b>	<b>4.368</b>	<b>5.713</b>	<b>7.117</b>	<b>8.418</b>

## Summary of Pressures, Inflation, Savings and Investments

	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m
<b>Health and Care</b>					
Pressures	19.024	31.113	42.355	53.865	65.375
Inflation	1.014	2.379	3.876	5.407	6.975
Savings	(2.401)	(6.757)	(10.256)	(11.962)	(11.980)
Investments	-	-	-	-	-
<b>Health and Care Total</b>	<b>17.637</b>	<b>26.735</b>	<b>35.975</b>	<b>47.310</b>	<b>60.370</b>
<b>Families and Communities</b>					
Pressures	4.638	4.311	4.292	4.407	4.557
Inflation	2.607	7.004	11.495	16.137	20.882
Savings	1.823	(2.316)	(6.739)	(10.363)	(12.598)
Investments	(0.625)	(1.147)	(1.965)	(1.980)	(1.980)
<b>Families and Communities Total</b>	<b>8.443</b>	<b>7.852</b>	<b>7.083</b>	<b>8.201</b>	<b>10.861</b>
<b>Economy, Infrastructure and Skills</b>					
Pressures	1.890	1.832	1.768	2.131	2.408
Inflation	2.169	4.696	6.906	8.711	10.555
Savings	(0.500)	(1.100)	(1.100)	(1.100)	(1.100)
Investments	-	-	-	-	-
<b>Economy, Infrastructure and Skills Total</b>	<b>3.559</b>	<b>5.428</b>	<b>7.574</b>	<b>9.742</b>	<b>11.863</b>
<b>Corporate Services</b>					
Pressures	3.175	3.130	3.108	3.089	3.089
Inflation	0.389	1.608	2.855	4.128	5.429
Savings	(0.166)	(0.370)	(0.250)	(0.100)	(0.100)
Investments	-	-	-	-	-
<b>Corporate Services Total</b>	<b>3.398</b>	<b>4.368</b>	<b>5.713</b>	<b>7.117</b>	<b>8.418</b>
<b>Grand Total</b>	<b>33.037</b>	<b>44.383</b>	<b>56.345</b>	<b>72.370</b>	<b>91.512</b>

All figures presented in each year represent a cumulative change from the current 2020/21 budget.

**Major Assumptions Used in MTFS  
Year-on-Year Increases**

	2021/22	2022/23	2023/24	2024/25	2025/26
<b>Staffing costs</b>					
Pay	-	2.5%	2.5%	2.5%	2.5%
Local Government Pension Scheme increases	1.0%	1.0%	1.0%	1.0%	1.0%
<b>General running costs</b>					
Prices (including internal recharges from trading services)	1.0%	2.0%	2.0%	2.0%	2.0%
Contractual inflation	Variable	Variable	Variable	Variable	Variable
Income (standard allocation)	1.0%	2.0%	2.0%	2.0%	2.0%
<b>Utility / Running Expenses</b>					
Electricity	10.0%	10.0%	10.0%	10.0%	10.0%
Gas	10.0%	10.0%	10.0%	10.0%	10.0%
Business Rates bills	3.0%	3.1%	3.1%	3.1%	3.1%
Water <sup>1</sup>	3.0%	3.0%	3.0%	3.0%	3.0%
Petrol	3.0%	3.1%	3.1%	3.1%	3.1%
Diesel	3.0%	3.1%	3.1%	3.1%	3.1%
<b>In-Year Increases</b>					
<b>Interest Rates</b>					
Interest on investments	0.10%	0.10%	0.10%	0.10%	0.10%
Interest on debt	3.74%	3.73%	3.73%	3.77%	3.80%
<b>General Funding</b>					
New Homes Bonus	£2.0m	£0.8m	-	-	-
Loss of Revenue Support Grant	-	-£10.9m	-	-	-
Revenue Support Grant	£10.9m	-	-	-	-
Council Tax	1.99%	1.99%	1.99%	1.99%	1.99%
Social Care Precept	3.00%	2.00%	2.00%	2.00%	2.00%

<sup>1</sup> Water Bill increases are set by OFWAT. These have been capped for the 5 year period at the previous Novembers RPI inflation rate plus 0.5%

### Risk Based Review of General Balances

CIPFA guidance indicates that a well-managed authority with a prudent approach to budgeting should be able to operate with a relatively low level of general reserves and that Chief Financial Officers should take account of the strategic, operational and financial risks facing the authority.

A risk assessment has been undertaken to identify the key financial risks for next year which can be used as a basis for determining the minimum level of general balances for the county council. Details of this assessment are provided below. Whilst not a complete list of all the financial risks faced by the council, the assessment focuses on those most likely (High and Medium risks) to have a significant impact on the budget.

2019/20 Provision £m	Area of Expenditure	Level of Risk	Explanation of risk/justification of balances
<b>Treatment of inflation and interest rates</b>			
2.0	<b>Inflation</b>	Medium	Services could experience risks in contract prices over and above the general inflation allocation allocated in the MTFS. The mix of price increases could vary across sectors, which could result in a particular strain on resources in some areas.
2.0	<b>Brexit</b>	Medium	Uncertainty around prices following the country's exit from the European Union.
1.0	<b>Treasury Management</b>	Low	1% point increase in interest rate on borrowing against capital programme.
1.0	<b>Investments</b>	Medium	0.5% point drop in interest on balances will reduce the income by £0.75m.
<b>Estimates of the level and timing of capital receipts</b>			
3.0	<b>Capital Receipts</b>	Medium	The councils is using current flexibilities regarding funding transformational spend from capital receipts. In the event that the estimated level of receipts is not achieved because of unforeseen circumstances, the impact on the revenue budget in terms of available one-off funding will be immediate.
<b>The treatment of demand led pressures</b>			
10.0	<b>Adults Social Care</b>	High	Increasing demand for services.
10.0	<b>Looked after Children</b>	High	Continual risk that demand pressures from a potential increase in the number and cost of out of county residential care placements will exceed budget provision.
5.0	<b>Covid funding</b>	High	Risk that the funding provided for expenditure relating to the pandemic does not cover costs. This includes lost income from council tax and business rates and unachieved or delayed savings.
1.0	<b>Other areas</b>	Medium	Risks of overspend in other budget areas.
1.5	<b>Income General grant income</b>	High	There are risks around collection rates for both Council Tax and Business Rates, as well as uncertainty around future government grant levels.
1.50	<b>VAT</b>	Low	Risk of exceeding 5% limit for input tax.
<b>The treatment of efficiency savings/productivity gains</b>			
10.0	<b>Non achievement of efficiency savings/ 'invest to save' costs/ redundancy costs</b>	Medium	Risk of non-achievement of savings, or delays in delivery or additional unforeseen one off costs to facilitate savings.

Financial risks in any significant new funding partnerships, major outsourcing deals or major capital developments			
4.0	<b>Partnership risks</b>	High	Financial risks of various potential significant partnership agreements that the council may enter into over the MTFS period.
The availability of other funds to deal with major contingencies			
2019/20 Provision £m	Area of Expenditure	Level of Risk	Explanation of risk/justification of balances
2.0	<b>Disaster recovery</b>	Medium	Cost of consequential losses for uninsurable risk incidents such as virus attack on ICT infrastructure and ensuring business continuity.
10.0	<b>Insurance</b> (Difficult to quantify)	Low	Risk of: uninsured terrorism, gradual pollution liabilities, gap between Aggregate stop and Provision.

#### Level of Balances – Summary

Level of Risk	£m
<b>High and Medium Risks</b>	<b>51.5</b>

## Proposed Net Budget 2021/22 Planning Forecasts 2022/23 to 2025/26

	Proposed Net Budget 2021/22	Planning Forecast 2022/23	Planning Forecast 2023/24	Planning Forecast 2024/25	Planning Forecast 2025/26
	£m	£m	£m	£m	£m
<b>Health and Care</b>					
Public Health and Prevention	27.382	27.382	27.382	27.382	27.382
Public Health Ring Fenced Grant	(27.382)	(27.382)	(27.382)	(27.382)	(27.382)
Adult Social Care and Safeguarding	39.520	40.337	40.885	41.912	42.964
Care Commissioning	192.995	201.276	209.968	220.276	232.284
Better Care Fund	(31.747)	(31.737)	(31.737)	(31.737)	(31.737)
<i>Sub Total</i>	<i>200.768</i>	<i>209.876</i>	<i>219.116</i>	<i>230.451</i>	<i>243.511</i>
<b>Families and Communities</b>					
Children's Services	113.714	112.001	109.806	109.279	110.223
Children's Public Health	9.802	9.802	9.802	9.802	9.802
Public Health Ring Fenced Grant	(9.802)	(9.802)	(9.802)	(9.802)	(9.802)
Education Services	26.794	26.631	26.756	26.871	27.021
Culture and Communities	5.438	5.492	5.845	6.006	6.171
Rural	2.898	4.069	4.956	6.262	7.599
Community Safety	6.517	6.577	6.638	6.701	6.765
<i>Sub Total</i>	<i>155.361</i>	<i>154.770</i>	<i>154.001</i>	<i>155.119</i>	<i>157.779</i>
<b>Economy, Infrastructure and Skills</b>					
Business and Enterprise	2.194	2.289	2.389	2.520	2.656
Infrastructure & Highways	29.687	30.972	32.120	32.942	33.782
Transport, Connectivity & Sustainability	39.873	40.252	41.037	42.137	43.164
Skills	6.585	6.655	6.727	6.800	6.875
El&S Business Support	1.097	1.137	1.178	1.220	1.263
<i>Sub Total</i>	<i>79.436</i>	<i>81.305</i>	<i>83.451</i>	<i>85.619</i>	<i>87.740</i>
<b>Corporate Services</b>					
Assets	10.998	11.165	11.664	12.201	12.596
Business Support and Compliance	4.006	4.160	4.318	4.480	4.645
Traded Service / Business Partner	(0.622)	(0.621)	(0.620)	(0.619)	(0.618)
County Treasurers	11.425	11.683	11.947	12.217	12.493
People	2.728	2.835	2.944	3.055	3.169
Governance	5.534	5.696	5.886	6.083	6.304
Corporate Services	0.202	0.202	0.202	0.202	0.202
Strategy	3.884	4.005	4.129	4.255	4.384
<i>Sub Total</i>	<i>38.155</i>	<i>39.125</i>	<i>40.470</i>	<i>41.874</i>	<i>43.175</i>
<b>Service Total</b>	<b>473.720</b>	<b>485.076</b>	<b>497.038</b>	<b>513.063</b>	<b>532.205</b>
<b>Capital Financing</b>					
Capital Financing	34.669	34.331	34.253	32.694	32.060
Centrally Controlled	27.726	21.451	27.347	28.848	30.448
Investment Fund	0.798	1.164	1.621	2.093	2.093
Covid Expenditure	16.204				
Social Care Support	(25.283)	(20.809)	(20.809)	(20.809)	(20.809)
Contingency	4.000	4.000	4.000	4.000	4.000
<b>Net Revenue Budget</b>	<b>531.834</b>	<b>525.213</b>	<b>543.450</b>	<b>559.889</b>	<b>579.997</b>
Use of Reserves	(6.255)	(1.043)	0.272	1.290	1.290
Contribution to Pay Provision	0.491	1.023	1.573	2.130	2.130
Contribution to General Balances	-	-	-	-	-
<b>Budget Requirement</b>	<b>526.070</b>	<b>525.193</b>	<b>545.295</b>	<b>563.309</b>	<b>583.417</b>
Revenue Support Grant	(10.925)	-	-	-	-
Retained Business Rates	(107.383)	(104.964)	(106.634)	(108.419)	(110.470)
<b>Settlement Funding Assessment</b>	<b>(118.308)</b>	<b>(104.964)</b>	<b>(106.634)</b>	<b>(108.419)</b>	<b>(110.470)</b>
New Homes Bonus	(1.975)	(0.803)	-	-	-
Covid 19 Funding	(16.204)				
Council Tax Collection Fund Surplus	0.490	0.490	0.490	-	-
Council Tax	(390.073)	(408.143)	(428.324)	(450.395)	(473.047)
<b>Financing Total</b>	<b>(526.070)</b>	<b>(513.420)</b>	<b>(534.468)</b>	<b>(558.814)</b>	<b>(583.517)</b>
<i>(Headroom) / Shortfall</i>	<i>(0.000)</i>	<i>11.773</i>	<i>10.827</i>	<i>4.495</i>	<i>(0.100)</i>