

Business Planning / MTFS Options 2020/21 – 2024/25

20/25 - YC04

Title of Option:	Finance Directorate Savings		
Priority:	Your Council	Responsible Officer:	Jon Warlow
Affected Service(s) and AD:	Finance	Contact / Lead:	Frances Palopoli

Description of Option:

- What is the proposal in essence? What is its scope? What will change?
- What will be the impact on the Council's objectives and outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes, and Borough Plan Evidence Packs)
- How does this option ensure the Council is still able to meet statutory requirements?
- How will the proposal deliver the benefits outlined?

[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

There are three elements to the proposed savings:

1. A detailed review of non-establishment budgets and the recharges to non-General Fund.
2. Financial services to the Community Benefit Society (CBS) will generate additional annual income.
3. The remaining savings arise from changes to staffing budgets and staffing numbers and will be achieved through fully embedding the business partnering model in 2020/21. From 2022/23, aided by the replacement/update of the council's finance system, a reduction in the number of Finance FTEs is anticipated. It is too early at this stage to confidently quantify the number of FTE reductions but is expected to be between 4 - 6.

Financial Benefits Summary

Savings	2020/21	2021/22	2022/23	2023/24	2024/25	Total
<i>All savings shown on an incremental</i>	£000s	£000s	£000s	£000s	£000s	£000s
New net additional savings	340	-	200	-	-	540

Capital Implementation Costs	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Total Capital Costs	-	-	-	-	-	-

Financial Implications Outline

- How have the savings above been determined? Please provide a brief breakdown of the factors considered.
- Is any additional investment required in order to deliver the proposal?
- If relevant, how will additional income be generated and how has the amounts been determined?

The relevant details are provided above. Every effort will be made to avoid redundancies and consequently their associated and pension strain costs. If this is not possible the assumptions in this document are that these will be met corporately and therefore no cost has been built into the above figures.

The actual capital costs associated with the proposed finance system replacement/refresh have already been built into the Council's capital programme between 2020/21-2022/23 and have therefore been excluded on this form.

Delivery Confidence

<p>At this stage, how confident are you that this option could be delivered and benefits realised as set out? (1 = not at all confident; 5 = very confident)</p>	<p>The proposed savings will be delivered via a number of different means and the delivery confidence of each is different, particularly as the Year 3 are dependant on system and management culture changes. A composite rating of 4 overall has been applied</p>
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Indicative timescale for implementation

<p>Est. start date for consultation DD/MM/YY</p>	<p>01/12/2019 (may not be required)</p>	<p>Est. completion date for implementation DD/MM/YY</p>	<p>01/04/2020</p>
<p>Is there an opportunity for implementation before April 2020? Y/N ; any constraints?</p>	<p>There are limited opportunities to implement the proposed savings before April 2020.</p>		

Implementation Details

- How will the proposal be implemented? Are any additional resources required?
- Please provide a brief timeline of the implementation phase.
- How will a successful implementation be measured? Which performance indicators are most relevant?

No additional resources are currently envisaged to be required to deliver the proposals.

The successful implementation of the staffing changes will be measured through customer feedback and on going delivery of key finance activities such as producing the Statement of Accounts according to legislation timelines; setting annual budgets and producing and maintaining an effective medium term financial strategy & capital strategy; effective in year financial management and control.

Impact / non-financial benefits and disbenefits

What is the likely impact on customers and how will negative impacts be mitigated or managed?

List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Borough Plan 2019-23 objectives and outcomes)

Positive Impacts

The proposed capital investment in the Council's financial systems should both help these revenue savings be achieved and provide a better manager self-service platform for business as usual financial management

Negative Impacts

The reduction in resources (primarily in in Year 3) will need to be carefully managed to prevent it from having a negative impact on the quality of financial services to the Council, which would not be actionable

What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected?
List both positive and negative impacts.

Positive Impacts

The proposed capital investment in the Council's financial systems should both help these revenue savings be achieved and provide a better manager self-service platform for business as usual financial management

Negative Impacts

Some of the proposed savings will impact on staff / FTE numbers. Clear, regular communication with the finance community will help mitigate any impact on staff morale and agreed HR restructuring policies will be followed.

We will look to manage the impact of staff reductions on the rest of the organisation by clear communication, training on new system / processes and targeted support.

How does this option ensure the Council is able to meet **statutory requirements**?

The Director of Finance is confident that the 2020/21 savings can be made without impairing the sound financial administration of the Council. The level of confidence is somewhat lower regarding the Year 3 step-up in savings as they are dependent on a number of factors. This later year projection will be reviewed in the next two budget cycles to ensure that it can still be achieved without adversely impacting on the Council's financial management.

Risks and Mitigation

What are the main risks associated with this option and how could they be mitigated?(Add rows if required)

Risk	Impact (H/M/L)	Probability (H/M/L)	Mitigation
Non-achievement of commercial income	L	M	Proactive role in new housing delivery models
Non-delivery of financial system change	M	M	Corporate focus on the review/implementation

Has the EqIA Screening Tool been completed for this proposal?	Screening Tool completed
<u>EqIA Screening Tool</u>	
Is a full EqIA required?	No