

The background of the slide features a large, light blue watermark of the Coat of Arms of the Government of Yukon. The crest is a shield divided into four quadrants. The top-left quadrant shows a yellow diagonal cross on a blue background. The top-right quadrant depicts a white moose head with antlers on a blue background. The bottom-left quadrant shows a white sailing ship on blue wavy lines representing water. The bottom-right quadrant features a white eagle with spread wings on a blue background. Above the shield is a crown with four yellow maple leaves. A blue ribbon at the bottom contains the motto 'A NE FOR A' in white capital letters.

## **Agenda Item 8**

### **Medium Term Financial Plan [MTFP]**

**Falkirk Council**

**Title:** Medium Term Financial Plan [MTFP]  
**Meeting:** Executive  
**Date:** 25 September 2018  
**Submitted By:** Director of Corporate & Housing Services

**1. Purpose of Report**

- 1.1 This report flows from submissions made to Executive in June 2017 and May 2018 and reflects a significant progression in the development of the MTFP. The plan looks to integrate relevant strands, notably revenue, reserves, capital and treasury.
- 1.2 The MTFP should demonstrate how the Corporate Plan is being delivered within the projected resources envelope available. It is geared to afford a more strategic approach to manage services to ensure that Council priorities are delivered at a time of projected resource reductions.

**2. Recommendations**

**2.1 Executive is asked to note:-**

- (1) The progress of the MTFP as set out in this report.**
- (2) The introduction of cash limits for each Service area to help drive out the necessary transformational savings options.**

**3. Background**

- 3.1 As noted at para. 1.1 Executive has previously considered two reports on the development of a MTFP. The latter report in May gave a commitment to present an updated position in the autumn.
- 3.2 The projection report to August Executive highlighted a tightening of the Council's financial position.
- 3.3 The first meeting of the Member Budget Working Group was held on 22 August.
- 3.4 Previous reports have highlighted the projected unfavourable economic and financial climate.
- 3.5 A key message in the Accounts Commission's "Financial Overview 2016/17" is that, "Robust medium term financial strategies and savings plans are increasingly critical to the financial sustainability of councils."
- 3.6 Members will recall from the last Best Value follow-up there is an explicit expectation that the Council will demonstrate its capacity to deliver the

necessary improvements and savings to meet the financial challenges facing the Council. The Council's external auditors, Ernst & Young, will deliver their assessment of the Council's progress in their wider annual accounts report to Audit Committee on 27 September 2018.

- 3.7 It must be recognised that by the end of the five year period of the MTFP, the Council will be smaller with less buildings and fewer staff, will be delivering fewer services and those it does retain will be delivered in radically different ways.

## **4. Considerations**

### **4.1 Context**

- 4.1.1 The report to May Executive highlighted the unfavourable and challenging economic and grant funding environment reflected in the following sources:-

- The Scottish Fiscal Commission's forecast of continuing poor growth in Scotland and moreover relative to rest of the UK.
- Implications of the above under the new Fiscal Framework.
- The Scottish Government's MTFP priorities and the implications for Local Government funding.
- The new pay "norm".
- Brexit.
- The Sustainable Growth Commission report.

- 4.1.2 More recently the Office for Budget Responsibility has published its latest Fiscal Sustainability report which projects up to 50 years ahead. This reflects the resource "capture" by health, compounded by the recent "Brexit bonus" boost for health. The position in Scotland is more pressurised because of the relatively poorer demographics.

- 4.1.3 Whilst the most recent public finance figures may allow the Chancellor room for modest manoeuvre in his November Budget, this does not materially change the underlying position noted above.

- 4.1.4 The robustness of medium term financial planning is compromised because revenue support grant, by far the most important variable in the Budget equation, is provided for only one year. The Accounts Commission and Fraser of Allander Institute amongst others have been critical of this. Whilst the Scottish Government has now produced a medium term financial strategy, there is no expectation that this will result in a grant settlement beyond 19/20, albeit this may change in future as part of the next Spending Review.

- 4.1.5 The Scottish Government's announcement in its Budget in December of a pay rise of 3% for public sector workers has created a significant pressure on Councils' largest category of spend. It is noted that none of the trade unions have reached current settlement at this level.

- 4.1.6 Demographics are an important driver of costs. By 2025 the Falkirk Council population is expected to be 166,000, a rise of 3%. Over the same period the proportion of the population that is over 80 is expected to rise by 25%, with significant implications for service delivery in social and health services.

- 4.1.7 There remains an imperative to ensure the principle of the Christie Commission are progressed under an agenda of public service reform. All of this leads to the need to look differently at how the public sector takes decisions, allocates resources and delivers services – individually and collectively. Work over the coming year across the community planning partnership in Falkirk must seek to ensure planning and decision making processes are more aligned and co-operative. It is necessary to collectively anticipate change that allows resource planning for all constituent organisations. The Council must consider the public sector response to issues and plan accordingly. This complexity gives significant challenges to the Council but also to key partners who must plan and allocate resources in very different ways.
- 4.1.8 Appropriate recognition will need to be made of significant project initiatives being advanced by the Council during the five years of the MTFP. One illustration of this is the progression of an outline business case for the Falkirk – Grangemouth Investment Zone as reported to Executive in March. Another is the outcome of the Strategic Property Review. With respect to the latter recent reports to Executive have demonstrated how both back office space, particularly with respect to a new HQ, and front facing offices, notably with the Hub model, are actively being implemented.

## **4.2 Engagement/Consultation**

- 4.2.1 It is proposed that corporate engagement around the budget should take place in early autumn and be focussed on asking the public about some of the criteria that will inform the decision-making process rather than asking about specific options. The purpose is to ask people about what is important to them and what they would want taken into account when making decisions on the budget. The responses will help target areas for savings as well as helping Members then prioritise services across the Council. This will be complemented by Service engagement with customers on individual proposals which will be used to more fully inform EPIAs and specifically how any negative impact of individual proposals can be mitigated.
- 4.2.2 A set of survey questions is being drafted covering generic areas, such as charging, use of buildings and community provision of services. However, it is proposed to cover some specific topics such as garden aid, bus subsidies, and the principles of rationalisation of the school estate. Once the survey is drafted it will be shared with the Member Budget Working Group and then made available online. It will also be used as a discussion document at face-to-face engagement activities, such as meetings with Community Councils, Parent Councils or Locality Planning engagement events.

## **4.3 Projected Budget Gaps**

- 4.3.1 Based on assumptions, and most particularly of the key variables of revenue support grant, pay and demographic cost drivers, projected Budget Gaps have been estimated. Consistent with the format reported to Council in June 2017, in addition to a base projection for five years, outlier projections have also been made to reflect more optimistic and pessimistic assumptions. This approach of scenario planning is suited to an environment where significant

uncertainty prevails. The projected positions for each year are set out in the bar chart at Appendix 1.

- 4.3.2 The aggregate of these estimated base Budget Gaps amounts to c.£60m. Importantly, it is highlighted that these annual Gaps already reflect a 3% rise in council tax. Identifying how these Gaps are to be bridged in a credible, robust and timeous manner is the key challenge of the MTFP. It will be evident that a significant range of options will need to be identified for Member consideration, and in turn Members will need to make very difficult decisions to ensure the Council delivers its Corporate Plan addressing its priorities within the resources it has.
- 4.3.3 It should be noted that the Budget Gap for 2019/20 will increase if the projected overspend in 2018/19 reported to Executive in August, is not addressed sustainably. Further reference to this is made at paragraph 4.6.7 and 4.7.4.

#### **4.4 The MTFP Model**

- 4.4.1 A model based on three pillars or primary workstreams was presented to Executive in May and a diagram is attached at appendix 2. There are perhaps 2 hallmarks to note. Firstly, the interconnections both between the 3 pillars and also in turn with key reference points such as the Corporate Plan and the Strategic Property Review. Secondly, the MTFP is clearly and explicitly aligned with Council of the Future in terms of the 4 Capabilities.
- 4.4.2 An overview of the underlying rationale is as follows. The “Enabled and Empowered Communities” workstreams recognises both the need for communities to be more proactive and in control of the services they receive from the Council and the reality that the Council will not be able to continue to deliver in future the range of services it currently does. The “Modern and Digital” workstream reflects both existing and planned projects and investment which will allow the Council to harness and deploy its reconfigured ICT, asset and people capacity to deliver modernised services the community value in the most efficient and effective manner. This workstream primarily looks to identify the list of major projects which will in large measure deliver the actual savings needed to bridge the Budget Gaps over the five years. The “data” workstream will focus on how we use data as an asset.
- 4.4.3 The current position with the model workstreams is outlined in the following section and the planned work going forward is set out in section 4.6.

#### **4.5 Current Status of the MTFP Modern and Digital**

- 4.5.1 The report to May Executive presented a range of potential service review areas which had been identified from a series of workshops. It was recognised that further work was required to assess the credentials of this provisional list of projects and in particular their capacity to deliver significant savings.

4.5.2 This “desktop” review has been conducted in the interim months. This assessment has resulted in the projects being split into 3 categories:-

- a) Projects which should be progressed
- b) Projects which should be progressed, but recognising that they will not contribute to reducing the budget deficit e.g. because they are reducing a current overspend or the payback period is beyond 5 years.
- c) Projects that don't merit progression or have expected savings of a scale that do not sit within this frame.

4.5.3 The projects are presented at appendix 3 in these categories. For these projects being progressed projected savings over 5 years are shown. Terms of reference for these projects and project teams are currently being confirmed and these projects will now sit within the established Council of the Future [COtF] monitoring and governance regime. As noted at para 4.5.13 there are a wide range of COtF projects being progressed to deliver cash savings and the transformation agenda.

4.5.4 Since the last update officers have been working with the Local Government Digital Office to review maturity as a digital council and identify the key areas of change that the Council must address going forward. The outputs of this work are being drafted at the moment as the foundations for the Council's emerging digital strategy. This strategy will focus on three key areas:

- Leadership
- Service redesign to maximise use of digital, improve customer services and reduce costs
- Rock solid technology

4.5.5 The emerging strategy acknowledges the investment to date in modernising our technology foundations e.g. mobile and flexible working, web site, myFalkirk but sets out the conditions that must be in place if the Council is to continue on this journey. This includes looking at services from the customer's perspective, recognising technology will support transformed services and won't in itself transform them and that there must be digital leaders who are driving change through transformational service delivery.

4.5.6 By delivering on digital the emerging strategy would want to ensure the following is achieved:

- Citizens will choose to use digital to find information, engage with the Council, access services and self-serve – and they will trust it
- Services will be transformed to include digital delivery based on data analytics and new services will be digital by default
- Savings will be realised through more efficient processes, channel shift and a reduction in legacy systems and associated costs
- Increasingly, internal transactions will become digital
- Business benefits will be achieved by using social media

4.5.7 The key benefits to the Council and communities are:

- Services will be more efficient, responsive and standardised
- Overly bureaucratic processes that underpin services will be reviewed and streamlined
- Decisions on service delivery will be based on sound evidence from customers
- There will be more flexibility for customers and communities in the way they engage with the Council
- The workforce will be more mobile, flexible and able to serve customers timeously in their communities and therefore less reliant on physical buildings

This approach to digital will be presented to Members in the coming months for consideration.

4.5.8 To support the emerging approach to digital service delivery, officers are seeking to ensure the Council has a solid technical foundation. The structure of the technology has changed significantly over the last number of years and can be built on. While this will require further investment, this reflects the new norm i.e. service delivery being designed to meet the needs of citizens and built on an agile flexible technological solution. This means more collaboration across services, utilising data to support service delivery, being secure and reliable while also allowing services to change and develop over time.

### **Enabled and Empowered Communities**

4.5.9 In order to progress the Councils commitment to enabled and empowered communities, the Council has agreed to establish a Policy Development Panel [PDP] that will seek to consider the following with a view to making recommendations to Council at the end of the year and also make a submission to the Government on the Local Governance Review:

- The role and scheme of community councils
- Community empowerment including participatory budgeting, participation requests and the potential for a petitions committee.
- Locality planning

4.5.10 Community planning partners therefore have an interest in the work of the PDP and will be involved in the work of the PDP as it progresses. In addition, a conference is being organised for the Community Planning partnership on how community empowerment can be taken forward in a practical way. This will look at how other areas are taking this forward including East Ayrshire, North Ayrshire, West Lothian etc. Details and a date for this will be confirmed shortly for this event.

### **Data**

4.5.11 This pillar will focus on citizens and customers rather than support any legacy bureaucracy within the organisation and the legacy technology. Part of this is how the Council uses information as an asset. The Council must make sure data and information are used to make better and faster decisions, supporting

the devolution of decision making and developing more iterative and rapid ways of doing things.

- 4.5.12 The information used needs to be secure and, alongside technology, used with an agile approach to focus on the priorities and outcomes of communities and contribute to the Council's efficiency agenda by doing this well. Data will be used more effectively to inform decisions about the services delivered, the needs of those who use services and to drive out inefficiencies. This is very much linked to the emerging digital strategy.

### **Other Considerations**

- 4.5.13 Notwithstanding that COtF is hard-wired into the MTFP, as demonstrated earlier, Members will find it helpful to see the projected cash savings arising from existing COtF projects. There are presented at appendix 4 categorised under the COtF 4 capabilities.
- 4.5.14 With a view to balancing the forthcoming Budget for 2019/20 Members also have as options both unused savings from the 2018/19 round and savings previously presented for 2019/20. These are summarised in the following table and detailed at appendix 5.

	Unused 18/19	Options 19/20	Total
<b>Childrens</b>	1,269	0	1,269
<b>Development</b>	2,498	0	2,498
<b>Corporate &amp; Housing</b>	75	718	793
	3,842	718	4,560

- 4.5.15 Officers have undertaken a piece of work to map functions across the Council's Services to the Corporate Plan priorities. This is currently being reviewed and refined but will serve as a useful reference point for officers in preparing savings options and Members in evaluating them.
- 4.5.16 Council agreed a Change Fund of £700k at the Budget meeting in February and bids to access this funding to support projects are currently being progressed via the COtF governance process.
- 4.5.17 It is very important to appreciate that the COtF transformation programme is about major change and not least in culture, in addition to identifying savings. A wide variety of actions have been pursued to this end:-
- \* Over 1000 employees across the Council attended seminars on changing behaviours and culture.
  - \* Over 1000 employees across the Council involved in cost cutting listening events.



- \* There has been a rolling programme of Leadership Forums for managers, chief officers and CANs over the past 12 months. These have included a mix of motivational speakers to make the Council ready for whole scale change and leaders from local government in Scotland and England to share how they practically applied such motivational concepts to actually deliver whole scale change in their organisations.
- \* The Assistant Director Transformation at Wigan Council joined the Leadership Forum to share the Wigan Experience of transformational change. The Wigan story is not “just about saving money” but about “changing lives” which they are fulfilling through their transformation programme branded, “The Deal”.
- \* A number of virtual workshops have been arranged between Falkirk and Wigan by the end of December 2018 to leverage good practice on:
  - Transformation and Benefits Realisation
  - Day Services – Social Work
  - Children + Families
  - Community Deal

## **4.6 Taking the MTFP Forward**

- 4.6.1 A significant additional element is proposed to enhance the model’s delivery capability. This is to take the projected deficits over the next five years and allocate them to specific Services including the IJB and Community Trust. The purpose of this is to confront Services in a more direct manner with the scale of the challenge and thus the need for transformational change. Moreover, it gives Services ownership of what is required and accountability for delivery of fit for purpose options of scale and, importantly, in a strategic and planned manner. This will reinforce the Council’s aim of moving away from a “salami-slicing” approach which has prevailed hitherto.
- 4.6.2 A robust methodology to allocate the £60m + aggregate deficit was devised, based primarily on net budgets, but with adjustment for areas where the Service was locked into budget commitments e.g. the schools’ PPP contracts. The position in aggregate and provisionally over each of the five years is shown in the table below. Further work will be undertaken to afford some flexibility on individual Service profiling, albeit the combination across Services will need to be sufficient to balance each individual year. Moreover, it should be recognised that these are not rigid and absolute targets for Services, but rather realistic guides as to what they are expected to deliver. Members will then choose across the range of service options to achieve the statutory requirement of a balanced Budget.

5 YEAR INDICATIVE BUDGETS AND SAVINGS							
		2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL SAVINGS
Service		£'000	£'000	£'000	£'000	£'000	£'000
Childrens	Budget	198,656	207,348	208,792	208,139	206,832	
	Savings	5,853	5,853	5,853	5,853	5,853	29,265
Development	Budget	27,855	27,297	26,467	25,699	24,847	
	Savings	2,003	2,003	2,003	2,003	2,003	10,015
Corporate & Housing	Budget	26,604	26,005	25,240	24,811	23,932	
	Savings	1,448	1,448	1,448	1,448	1,448	7,240

- 4.6.3 To take matters forward, it is anticipated that each Service will over the next 6 months prepare, on a consistent basis, a five year business plan containing options. Each Service will have a dedicated central support team to assist them in this endeavour. In terms of governance arrangements, both Corporate Management Team and the Member Budget Working Group would monitor progress over the business plan preparation period.
- 4.6.4 The business plan preparation will be supported by guidance and principles, which might be expected to include:-
- No cost shunting.
  - Zero Based Budget [ZBB] mindset.
  - Alert to Council-wide and cross-cutting dimension.
  - Focus on customer/user interests, which in turn should feed in from the Locality Plan process.
  - Corporate Plan priorities.
  - Strategic Property Review.
  - Preventative/ Early Intervention.
- 4.6.5 Consideration will need also to be given to harnessing external reference points. This might include but not restricted to:-
- Benchmarking [not just constrained to local government].
  - Networking sources.
  - Academic and Professional “beacons”.
  - Consultancy support.
  - Engaging with other councils e.g. in England.
- 4.6.6 Services in seeking to deliver on their cash envelopes will need to draw on all potential sources. This would include the pillars in the MTFP model which entails looking at alternative service delivery models, including shared services. This will by definition flush out necessary but very challenging savings and service delivery configurations for Members to consider.
- 4.6.7 The current position, reflecting the content of this paper, in dealing with the immediate challenge of balancing the 2019/20 Budget is set out in the Gap Statement at appendix 6. The preparation of the Service Business Plans over the coming months will be expected to feed in contributions for 2019/20. Other options that Members will have to potentially draw on are reducing the level of support by way of grants to external organisations and, as for 2018/19, not provide for general inflation with Services required to manage within their cash

budget. The subsequent years in the Gap Statement will be populated and balanced flowing from the preparation of the Services' business plans.

4.6.8 Looking forward and particularly with the development of the five year Service business plans, it is expected proposals will be brought before Members throughout the course of the year rather than the current tendency to aggregate them in the annual Budget in February.

4.6.9 Actions noted earlier in the report will all be progressed, for example:-

- \* Developing the link between Service Functions and Priorities.
- \* The selected Service reviews.
- \* Engaging with "beacon" councils such as Wigan.

4.6.10 A high level timeline of key Budget actions for the remainder of this financial year is at appendix 7.

## **4.7 Reserves**

4.7.1 The Accounts Commission's "Financial Overview 2016/17" was considered by Council at its meeting in January. The Commission highlighted the following as a key message:-

"Councils are showing signs of increasing financial stress. They are finding it increasingly difficult to identify and deliver savings and more have drawn on reserves than in previous years to fund change programmes and routine service delivery. Some councils risk running out of General Fund reserves within two to three years if they continue to use them at levels planned for 2017/18".

4.7.2 Members have also been advised regularly that deployment of reserves simply to achieve a balanced Budget is not sustainable as it is not addressing the underlying difference between spending levels and resources, compounded by the reality that reserves are finite. The deployment of reserves however, as a considered part of a strategy geared to transformation and robust medium term financial planning is much more effective.

4.7.3 The General Fund reserve balance as reported in the Outturn Statement to Executive in June was £8,865m. As part of the final accounts process a favourable adjustment relating to the council tax bad debt provision has increased the Reserve balance to £9,777m which remains within the policy range of £6.6-£11m. There is in addition the Repairs and Renewals Fund and a range of earmarked funds for specific purposes. The HRA also holds a reserve of c£5m.

4.7.4 The first projection report for the current financial year presented to August Executive is showing an overspend at 31/03/19 of £4.380m. Notwithstanding Executive's instruction for Service Directors to take "appropriate actions to maintain their costs within approved budget", if this were not to be achieved there would be a corresponding reduction in the reserve balance. That report also noted other potential pressures on the reserve including the recognition that pay awards for the current year remain unsettled.

## **4.8 Capital & Treasury**

- 4.8.1 Capital Bids for the 2019/20 – 2023/24 General Fund Capital Programme have been submitted by Services. The bids are now being reviewed by Finance and discussed in detail, as a standing item on the agenda of the 6 weekly meetings of the corporate Capital Planning & Review Working Group. The bids submitted by Services are ranked and scored based on a number of criteria including alignment with corporate plan priorities. The process to prepare the HRA Capital Programme is also underway.
- 4.8.2 Given the evident pressure on the Revenue Budget, investment in capital projects will need to be constrained to limit the revenue consequences of debt repayment and running costs. The Treasury team are currently working with advisers exploring the scope for revenue savings by reconfiguring the debt maturity profile.
- 4.8.3 CIPFA updated both its Prudential Code and Treasury Management Code in December 2017. A key change to these revised Codes, is the requirement for Councils to prepare a Capital Strategy. The Capital Strategy will set out the long term context in which capital expenditure and investment decisions are made and will demonstrate the linkage with the Council's Treasury Management Strategy. The current three year General Fund and Housing Programmes have been extended to five years for 2019/20 to 2023/24. This will align with the Medium Term Financial Strategy and will allow the Council to plan more efficiently for major capital projects.
- 4.8.4 The Capital Strategy will be a high level document which will detail the total value of investment plans and will categorise the nature of the investment. To this end the Capital Bid Sheets for 2019/20 to 2023/24 were amended to capture the reasons behind the investment i.e.
- Asset sustainability or
  - Service Development or
  - Strategic Change

The intention is to present the Capital Strategy to Members as part of the Capital Budget report in February 2019.

## **4.9 Long Term Planning**

- 4.9.1 Consideration also needs to be given to the timeframe beyond the five years of the MTFP. It is self-evident that projections become ever more uncertain the further the timeline is extended.
- 4.9.2 Services have access to relevant demographic data which was summarised in the MTFP report to May 2018 Executive, to aid their forward planning. The same report provided the Council's debt profile out to 2064/65. Moreover, for Housing there is a 50 year financial model which includes assumptions on both revenue and capital, together with resources.
- 4.9.3 It is also important that the Council's forward scanning identifies specific issues which will emerge. One pertinent illustration is the contract end in August 2025 of the Class '98 PPP schools contract. An option available to the Council to continue the contract has to be notified 3 years prior to that. This

accelerates the timeframe to identify and evaluate options. A specific report on this matter will be brought before Members in due course. The NPDO schools contract is much further out on the planning horizon.

## **5. Consultation**

- 5.1 Appropriate engagement and consultation will take place within the framework noted in the report as the corporate approach to engagement but also through engagement through individual EPIAs that will be progressed by Services over the coming weeks and months.

## **6. Implications**

### **Financial**

- 6.1 Effective forward financial planning is a cornerstone of the Council's corporate governance obligations.

### **Resources**

- 6.2 It will be evident that significant Service and Corporate resources will need to be harnessed to progress the 3 Pillar model in a timely manner. The recently approved Change Fund will assist with that.

### **Legal**

- 6.3 No legal implications arise from the report recommendations.

### **Risk**

- 6.4 There is a risk that the Council does not act proactively and effectively to manage the projected Budget Gaps.

### **Equalities**

- 6.5 Equality and poverty impact assessments will be carried out at the appropriate time. This means that an Equalities and Poverty impact assessment will be undertaken on all individual budget options as well as the overall budget in due course. These will be reported to Members in due course and prior to final decisions on the budget.

### **Sustainability/Environmental Impact**

- 6.6 No assessment relevant at this point.

## **7. Conclusions**

- 7.1 The financial environment facing the Council will remain extremely challenging. It is essential that the Council is proactive in its forward strategic planning to manage this environment and ensure its financial robustness and sustainability.

- 7.2 It is important to recognise that the work implied to take forward the MTFP will make a significant call on constrained officer resources and this will need to be managed within the framework of the Council's approved Workforce Strategy. Members will see that there is a separate item on the agenda relating to this.
- 7.3 The report demonstrates that considerable progress has been made in progressing the MTFP and the closely related COtF transformation agenda and that the Council is on a positive trajectory. There are, however, considerable challenges ahead for both officers and Members and much work to be done.

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## **Appendices**

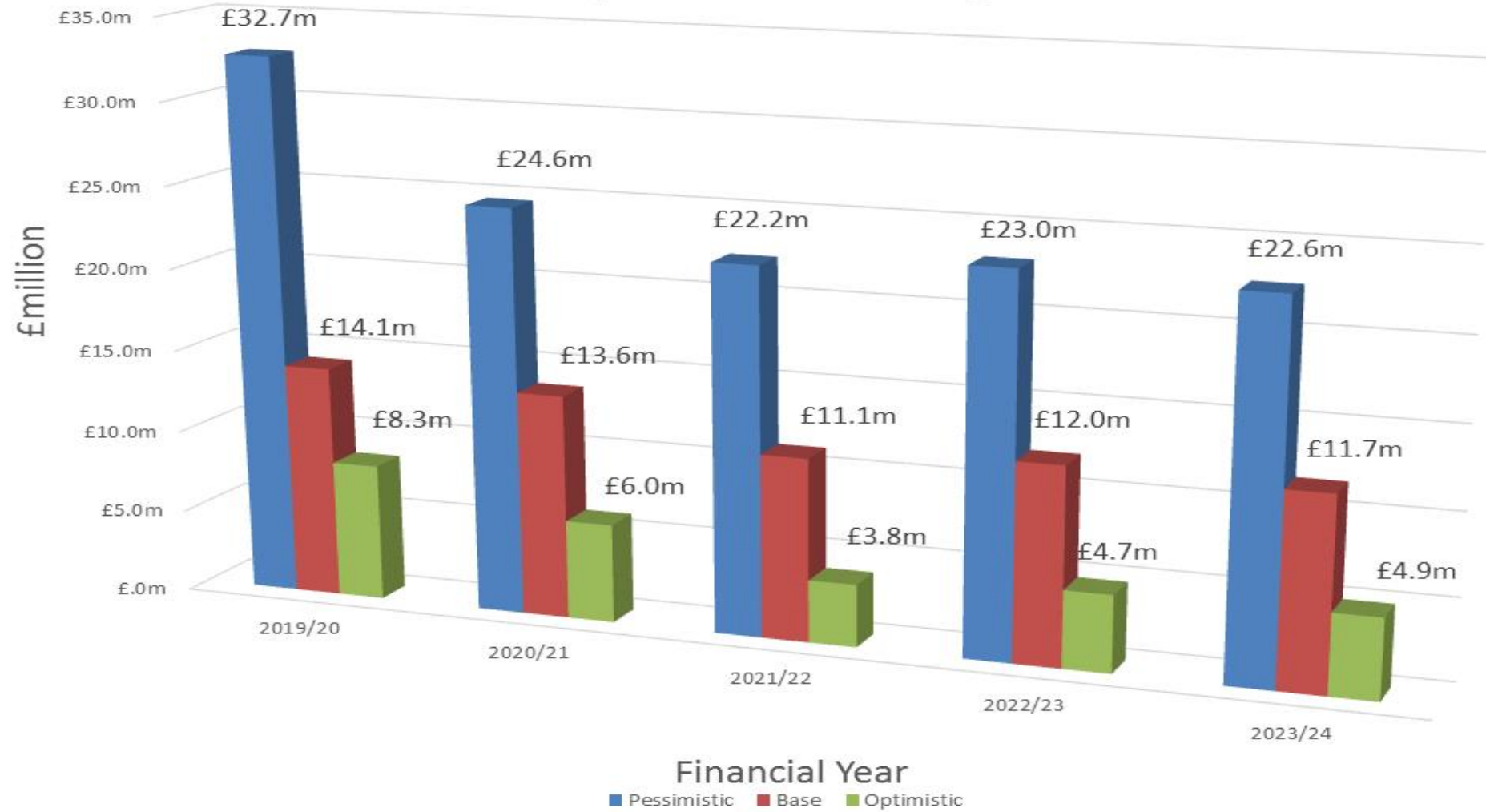
1. 5 Year Projected MTFP Budget Deficit
2. 5 Year Medium Term Financial Plan: Council of the Future
3. Service Reviews/Future Council of the Future Projects
4. Existing Council of the Future Projects
- 5a. Summary of Previous Officer's Savings Options – Children's Services
- 5b. Summary of Previous Officer's Savings Options – Development Services
- 5c. Summary of Previous Officer's Savings Options – Corporate and Housing Services
6. Medium Term Financial Plan – Gap Statement
7. Time Line of Key Budget Actions

## **List of Background Papers:**

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

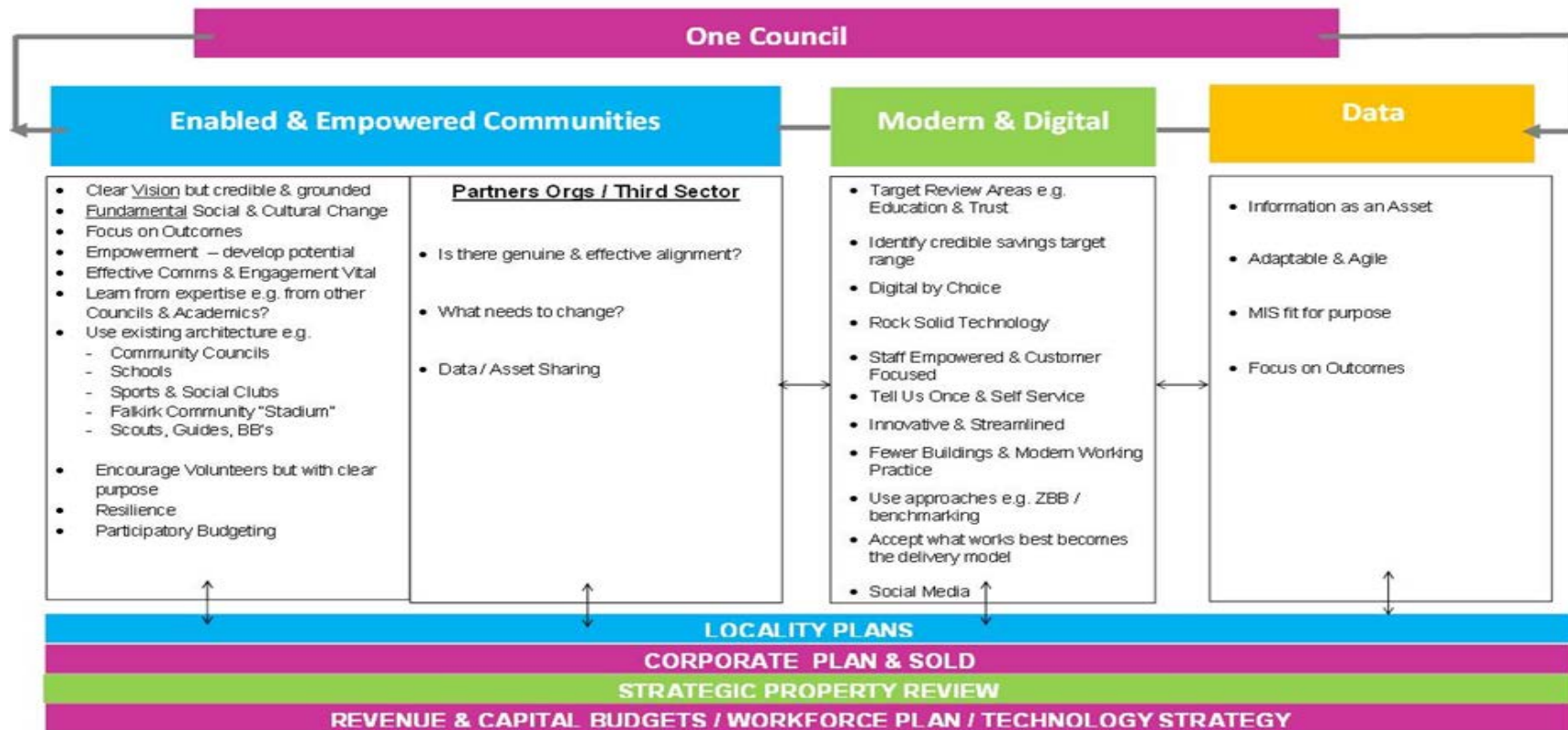
- Budget Working Paper Files

## 5 Year Projected MTFP Budget Deficit



# 5 Year Medium Term Financial Plan: Council of the Future: Programme of Change

Appendix 2





## SERVICE REVIEWS/FUTURE COTF PROJECTS - SAVINGS ANALYSIS

Appendix 3

	Potential Projects	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/24 £'000	Total £'000	Progress A B or C
1	<b>Terms and Conditions Review</b>							
	Absence Control	165	165	165	165		660	A
2	<b>Planning Applications</b>	-	-	-	-	-	-	A
3	<b>Wide Ranging Transport Review</b>							
	Bus Subsidies	-	-	-	-	-	-	-
	Taxi Use	-	-	-	-	-	-	A
	In-House Fleet	-	-	-	-	-	-	A
4	<b>Education Review</b>							
	Additional Support Needs/Special Education	-	50	140	100	100	390	A
	Review of curricular choices and course delivery in the senior phase.	-	-	-	-	-	-	-
	School Teacher Ratios (PTR)	505	303	-	-	-	808	A
	Review of SLA's/Commissioning	40	40	40	40	40	200	A
	School Estate Review	101	76	9	-	-	186	A
	Senior Phase Virtual Learning in Schools	-	20	20	20	20	80	A
5	<b>Health and Social Care Integration</b>	2,000	2,000	2,000	2,000	2,000	10,000	A
	Benchmark Review – Stirling/ Clacks Budget							
	Health and Social Care Integration							
	Residential Care							
	Residential Care Rotas - Adults							
6	<b>Trust</b>	750	1,000	1,250	1,250	1,250	5,500	A
7	<b>Fees and Charges</b>	700	720	730	750	760	3,660	A
8	<b>CLD and Community Planning</b>	-	-	-	-	-	-	A
9	<b>Roads Collaboration</b>	200					200	A
10	<b>Waste Management</b>	-	-	-	-	-	-	B
11	<b>ETU and Schools</b>	-	-	-	-	-	-	C
12	<b>Closer to Home</b>	-	725	27	1,434	1,384	3,570	
	"Our Bairns" Portal							
	Residential Care Rotas – Children's							A
	Children's Services Integration –							
	Residential School and Specialist Education							
1	<b>Catering</b>	-						C
2	<b>Energy Efficient Street Lighting</b>	-	-	-	-	-	-	B
3	<b>Development</b>							
	Grounds Maintenance	100	-	-	-	-	100	A
		4,561	5,099	4,381	5,759	5,554	25,354	

EXISTING COUNCIL OF THE FUTURE PROJECTS

Appendix 4

	Capability	Project Title	Enabler	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
				19/20 (000)	20/21 (000)	21/22 (000)	22/23 (000)	23/24 (000)	
1	Data	Information Working for You	Y						0
2	Data	Procuring for the Future		300	300	300	300	300	1,500
3	Data	Breaking the Mould		0	0	0	0	0	0
4	Enabled and Empowered Communities	Implementation of the Advice Hub & Spokes – Phase 2		-20	21	46	46	46	139
5	Enabled and Empowered Communities	Locality Planning							0
6	Enabled and Empowered Communities	Closer to Home							0
7	Enabled and Empowered Communities	Housing of Tomorrow		200	200				400
8	Enabled and Empowered Communities	Early Years		485	365	400	0	0	1,250
9	Modern and Digital	Digital Strategy	Y						0
10	Modern and Digital	Rock Solid Technology	Y	447					447
11	Modern and Digital	Analogue to Digital: Phase 1 Telecare Phase 2 Wider							0
13	Modern and Digital	Strategic Property Review	Y						0
14	Modern and Digital	Redesign of BMD Services - Phase 2		300	300	300	300	300	1,500
15	Modern and Digital	Smart Working, Smart Travel	Y	50					50
16	Modern and Digital	Integrated Resource Management System	Y						0
17	Modern and Digital	Activities of Daily Life (ADL) Smartcare Project							0
18	Modern and Digital	Bereavement Services							0
19	One Council	Fit for the Future	Y						0
20	One Council	Business Support			111	100			211
21	One Council	Strategic Planning	Y						0
	TOTAL			1,762	1,297	1,146	646	646	5,497

**Summary of Previous Officer's Savings Options - Not Taken**  
**Childrens' Services**

No	Ref	Description	Officer's Options		
			Savings £'000	FTE Impact	EPIA Impact
1	CS1	Home to School Transport (P1 – P3 Only)	62		Medium
2	CS2	Home to School Transport (Secondary).	94		Low
3	CS4	Closure of Public Toilets / APCs Excluding Blackness	138	1.00	Medium
4	CS12	Community Lets - Stop at some Secondary School at Weekends	15		Low
5	CS13	Reduce Music Instruction to provide for Curriculum needs only	75	2.00	Low
6	CS14	Breakfast Clubs - Cease Provision	155		Low
7	CS18	Early Years - Stop all Non Statutory Childcare	75		Low
8	CS22	Reduction of Holiday Activity Programme for Children with Disabilities	35		Medium
9	CS24	Review of C&F Social Work Staff	290	7.00	Medium
10	CS30	Building Cleaning	300	10.70	Low
11	CS32	Municipal Buildings Canteen	30		Low
			<b>1,269</b>	<b>20.70</b>	

**Summary of Previous Officer's Savings Options - Not Taken**  
**Development Services**

No	Ref	Description	Officer's Options		
			Savings £'000	FTE Impact	EPIA Impact
1	DV37	Removal of Pest Control Services	10	0.50	Low
2	DV2	Reduce Countryside Ranger Service	17	1.00	Low
3	DV3	Reduce the opening hours at the household waste recycling centres	200	10.00	None
4	DV5	Ban vans from using Household Waste Recycling Centres	200		None
5	DV6	Reduction in school crossing patrols	30	1.82	Low
6	DV8	Reduction in Support for Economic Development, Tourism	21		Low
7	DV9	Reduction in bus subsidies	352		Medium
8	DV33	Remove Bus Subsidies	719		Medium
9	DV35	Removal of whole Community Safety service	323	5.00	Medium
10	DV20	Fortnightly Brown Bin Collections between April & September	166	6.00	None
11	DV21	Free after Three	53		N/A
12	DV22	CCTV Surveillance	20		N/A
13	DV24	Bo'ness Community Bus	10		N/A
14	DV29	Reduction in Street Cleansing	200	3.00	None
15	DV30	Remove all Christmas Light provision	150		None
16	DV36	Growth & Investment	27		Low
			<b>2,498</b>	<b>27.32</b>	

**Summary of Previous Officer's Savings Options - Not Taken**  
**Corporate & Housing Services**

No	Ref	Description	Officer's Options		
			Savings £'000	FTE Impact	EPIA Impact
1	CHS007	CCTV	145		Low
2	CHS001	Staff Savings - Human Resources & Business Transformation	30	2.10	Low
3	CHS003	Staff Savings - Finance	90	3.00	Low
4	CHS011	Fairer Falkirk	195		Medium
5	CHS016	Sheriff Officer Income	80		None
6	CHS019	Remove 10% Second Homes Discount	15		Low
7	CHS024	Elections	10		Low
8	CHS026	COSLA Fee	90		Low
9	CHS029	Stop Support for Redeployment	18	0.60	Medium
10	CHS032	Reduce/ Stop Number of Editions of Falkirk Council News	20		None
11	CHS033	Further Savings from Contract Management	100		Low
			<b>793</b>	<b>5.70</b>	

**MEDIUM TERM FINANCIAL PLAN**

	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>Budget Gaps</u></b>	14,121	13,576	11,079	11,965	11,674	62,415
<b><u>Bridged By</u></b>						
1 Unused Savings - 18/19 & 19/20	-4,560					-4,560
2 MTFP Model Service Reviews/Future COtF Projects	-4,561	-5,099	-4,381	-5,759	-5,554	-25,354
3 Existing Council of the Future Projects	-1,762	-1,297	-1,146	-646	-646	-5,497
	-6,323	-6,396	-5,527	-6,405	-6,200	-30,851
4 Inflation Allowance						0
Total Options*	-10,883	-6,396	-5,527	-6,405	-6,200	-35,411

**Notes**

\*These need to total more than the Budget Gap for that year to provide genuine options

1 The various strands above will cover Trust, IJB, and External organisations as appropriate.

2 There will be inevitable duplication in the strands and great care is required to avoid double-counting

### **HIGH LEVEL REVENUE BUDGET/MTFP TIMELINE**

