



**Committee:** BUDGET AND PERFORMANCE PANEL

**Date:** TUESDAY, 22<sup>ND</sup> JANUARY 2019

**Venue:** MORECAMBE TOWN HALL

**Time:** 6.00 P.M.

## A G E N D A

**Councillors are reminded that as Members of Overview and Scrutiny they may not be subjected to the party whip, which is prohibited under the Lancaster City Council Constitution.**

**Please note that this meeting will be held in Morecambe Town Hall and will start at 6.00 p.m.  
All Members of the Council and stakeholders have been invited to attend.**

1. **Apologies for Absence**
2. **Items of Urgent Business authorised by the Chairman**
3. **Declaration of Interests**

To receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Members should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Members are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

Members are further reminded that Section 106 of the Local Government Finance Act 1992 applies to any meeting where consideration is given to matters relating to, or which might affect, the calculation of Council Tax.

Any member of a local authority, who is liable to pay Council Tax, and who has any unpaid Council Tax amount overdue for at least two months, even if there is an arrangement to pay off the arrears, must declare the fact that he/she is in arrears and must not vote on any recommendation or decision which might affect the budget or council tax calculation. It is a criminal offence to fail to comply with this requirement.

4. **Budget and Policy Framework Update 2019/20 to 2023/24** (Pages 1 - 10)

Cabinet will present its Budget and Policy Framework Proposals.

A copy of a report to Cabinet to be considered at its meeting on 15<sup>th</sup> January 2019 is attached.

Appendices to follow.

5. **Lancashire County Council Consultation on Budget Proposals** (Pages 11 - 191)

The Panel to consider Lancashire County Council's consultation on budget proposals.

Attached.

6. **Lancashire Combined Fire Authority Budget Proposals** (Pages 192 - 198)

The Panel to consider the Lancashire Combined Fire Authority Budget Proposals.

Attached.

7. **Lancashire Police and Crime Commissioner Budget Proposals**

Documents from the Police and Crime Panel for Lancashire to be held on 21<sup>st</sup> January 2019.

The Panel to consider the Police and Crime Commissioner's Budget Proposals.

Documents to follow.

## **ADMINISTRATIVE ARRANGEMENTS**

**(i) Membership**

Councillors Dave Brookes (Chairman), Peter Yates (Vice-Chairman), Tracy Brown, Kevin Frea, John Reynolds, Oliver Robinson, Susan Sykes, David Whitaker and Peter Williamson

**(ii) Substitute Membership**

Councillors Andrew Gardiner, Tim Hamilton-Cox, Nicholas Wilkinson and Phillippa Williamson

**(iii) Queries regarding this Agenda**

Please contact Stephen Metcalfe, Democratic Services - telephone 01524 582073 or email [sjmetcalfe@lancaster.gov.uk](mailto:sjmetcalfe@lancaster.gov.uk).

**(iv) Changes to Membership, substitutions or apologies**

Please contact Democratic Support, telephone 582170, or alternatively email [democraticsupport@lancaster.gov.uk](mailto:democraticsupport@lancaster.gov.uk).

SUSAN PARSONAGE,  
CHIEF EXECUTIVE,  
TOWN HALL,  
DALTON SQUARE,  
LANCASTER LA1 1PJ

Published on Monday, 14<sup>th</sup> January 2019.

<b>CABINET</b>
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**Budget and Policy Framework Update 2019/20 to 2023/24  
15 January 2019**

**Report of Interim Head of Financial Services**

<b>PURPOSE OF REPORT</b>			
This report provides an update on the Council's budget strategy for 2019/20 and financial outlook up to 2023/24. Specifically, the report considers the budget and council tax proposals for 2019/20.			
<b>Key Decision</b>	<input checked="" type="checkbox"/>	<b>Non-Key Decision</b>	<input type="checkbox"/>
<b>Date of notice of forthcoming key decision</b>	17 December 2018		
<b>This report is public.</b>			

**OFFICER RECOMMENDATIONS:**

1. That Cabinet make recommendations to Council regarding the Lancaster City Council element of the Council Tax as set out in paragraph 3.4 (option one) of this report which is a 2.99% increase.
2. That Cabinet makes recommendations regarding its initial budget proposals as set out in paragraph 4.3 and appendix one of this report.
3. That the recommendations and proposals in this report be referred to Council on 30 January for initial consideration as well as being presented for scrutiny by Budget and Performance Panel on 22 January, in order that any feedback can be provided to Cabinet at its 12 February meeting.

**1 INTRODUCTION**

- 1.1 Under the Constitution, Cabinet has responsibility for developing corporate planning proposals and a balanced budget for Council's consideration.
- 1.2 The Cabinet meeting on 4 December considered updated estimates with respect to government funding and council tax and the corresponding impact on the revenue budget gap as well as a timetable for completing the budget for 2019/20 and the Medium Term Financial Strategy for 2019/20 to 2023/24. Since that report the Government has released the Provisional Local Government Finance Settlement

and a number of informal meetings have been held between officers and members to consider specific revenue budget proposals for 2019/20.

1.3 This report sets out:

- An update to the estimates in respect of Council funding including Revenues Support Grant, Retained Business Rates, New Homes Bonus following on from the release of the provisional local government finance settlement and the corresponding impact on the budget gap. (section 2)
- Consideration of options for setting the Council's element of the council tax for 2019/20. (section 3)
- A summary of the proposals for achieving a balanced revenue budget for 2019/20. (section 4)
- An update on the work undertaken in respect of the capital programme for 2019/20 and a longer term Capital Strategy. (section 5)
- An update on the development of a Medium Term Financial Strategy which will secure the long term financial resilience of the authority and identify resources to meet the Council's ambitions for the next five years. (section 6)

2 **FUNDING UPDATE**

2.1 The Council's net revenue expenditure is funded from the following sources:

- Settlement Funding Assessment which is divided into Revenue Support Grant and Localised Business Rates
- New Homes Bonus
- Council Tax

2.2 The Government released the provisional local government finance settlement on 13 December 2018. Next year, 2019/20, is the final year of the Government's four year settlement. A summary of the provisional settlement for Lancaster City Council is provided in table one below.

**Table One – Provisional Settlement allocations for Lancaster City Council**

	Provisional Settlement	LCC Forecast	Difference	Note
Settlement Funding Assessment	5,844,480	5,844,480	0	i
New Homes Bonus	1,671,662	1,650,100	21,562	
Levy Account Surplus Return	86,600	0	86,600	ii
<b>Total Government Funding</b>	<b>7,602,742</b>	<b>7,494,580</b>	<b>108,162</b>	

*Notes*

- (i) *Settlement Funding Assessment is made up of Revenues Support Grant (£199,691) and retained rates (£5,644,789).*
- (ii) *The levy account surplus return is a 'one-off' return of surplus resources to local government reflecting the monies which the Government has received from levying rates growth which exceed the amounts they have paid out in respect of business rates safety net payments.*

- 2.3 As table one shows, the provisional settlement allocates £108k more resources than anticipated and this effectively reduces the gap for the 2019/20 revenue budget, as reported to 4 December Cabinet, from £895k to £787k. This revised gap was the effective starting point for the budget considerations.
- 2.4 The Government is currently undertaking a Fair Funding review which will look at how Government Funding is distributed from 2020/21 onwards. Although the Government has not yet released definitive control totals for local government funding from 2020/21, the Treasury's 2018 budget indicated modest planned increases in public spending. However, significant increases in NHS and defence spending are likely to mean that local government might expect a 'cash flat' settlement. Furthermore, it is probable that district councils will receive a decreased share of available funding as social care pressures are prioritised over other areas of local government expenditure.

### 3 COUNCIL TAX

- 3.1 As part of the provisional finance settlement, the Government published its referendum criteria for council tax. As expected district councils will be permitted to raise their council tax by 2.99% of £5, whichever is higher, without reference to a referendum. Table two below considers the following two options for council tax:

- Option one – an annual 2.99% increase in council tax
- Option two – no increase in council tax

Year	Taxbase (% Annual Increase)	Option One: Annual 2.99% increase in Council Tax		Option Two: No annual increase in Council Tax		Additional Income from 2.99% increase
		Band D	Income	Band D	Income	
2018/19	41,200 (2.23%)	220.36	9,078,832	220.36	9,078,832	0
2019/20	41,400 (0.49%)	226.95	9,395,679	226.95	9,122,904	272,826
2020/21	41,814 (1.00%)	233.73	9,773,376	233.73	9,214,133	559,471
2021/22	42,232 (1.00%)	240.72	10,166,256	240.72	9,306,244	860,266
2022/23	42,654 (1.00%)	247.92	10,574,929	247.92	9,399,235	1,175,971
2023/24	43,081 (1.00%)	255.33	11,000,031	255.33	9,493,329	1,506,973

- 3.2 The budget proposals have assumed an increase of 2.99% in Council Tax. This will raise an additional £272,826. An additional £44,072 will be raised from an increase in the number of properties in the district. The table above also shows the difference, in terms of income, between a 2.99% tax increase and no increase which, over five years, amounts to an additional £1.5m in income if option one, an annual 2.99% increase, is adopted.
- 3.3 Taxbase growth of 0.49% in 2019/20 is lower than was forecast in the MTFs. This has resulted in an additional net budget pressure of £91k.
- 3.3 **The recommendation arising from this report is that the Council on 29 January 2019 agree a 2.99% increase (option one) to level of 2019/20 council tax for the Lancaster City Council element of council tax.** This translates to an annual

increase of £6.59 on a Band D property. It is also recommended that option one is selected for the purposes of completing estimates in the Medium Term Financial Strategy.

#### 4 BUDGET PROPOSALS

4.1 The December Cabinet report set the approach for considering proposals for a balanced revenue budget for 2019/20. Since the report, a number of informal meetings were held with the Cabinet to develop proposals. Additionally, emerging proposals and detailed information on growth bids and savings plans have been discussed with all three political groups. All Councillors received, before Christmas, a pack of information containing growth bids and savings plan proposals.

4.2 Proposals for closing the budget gap of £787k are shown in table three below and are provided in more detail in appendix one.

**Table Three Cabinet's Revenue Budget Proposals – 2019/20**

	From MTFS	Proposed Changes	Budget Proposal
General Fund Revenue Budget	16,664	-653	16,011
<i>Funded by:</i>			
Revenue Support Grant	-200		-200
Net Business Rates Income	-6,328	-87	-6,415
Council Tax Requirement	-9,487	91	-9,396
Total Funding	-16,015	4	-16,011
Deficit for 2019/20	649	-649	0

#### Changes

Lower Council Tax Income than forecast in MTFS	91	Slow down in property growth
Levy Account Surplus Return (see para. 2.2)	-87	See para 2.2
Lower NHB than forecast in MTFS	133	Slow down in property growth
Non staff savings	-855	} See appendix one
Planned staff savings	-240	
Reduced income	131	
Staff growth	142	
Non staff growth	36	
Growth funded by reserves	360	
Contributions from reserves	-360	
Budget Gap	0	

4.3 The proposals set out in the table above produce a balanced revenue budget for 2019/20, which forms part of the recommendations of this report. If Cabinet agree the proposal, then it will go forward to the Budget Scrutiny Panel on 22 January 2019 and to Council on 30 January 2019 and then form part of the Budget and MTFS report to the Budget Council Meeting on 27 February 2019.

## **5 CAPITAL PROGRAMME**

- 5.1 A full review of the General Fund Capital Programme has been undertaken, at officer level, covering both schemes within the existing programme and new capital project proposals.
- 5.2 Officers have put together summary business cases for all new capital bids, which looked at outcomes, risks and link to the Council's corporate ambitions. Schemes were appraised by officers using a scoring matrix which took into consideration:
- Statutory and regulatory background
  - Contextual fit against the four key corporate priorities
  - Contribution to the key principles of the 'Funding the Future' Strategy
  - Risk profile
  - Impact of project outcomes on key stakeholders

The results of this exercise are shown at appendix two.

- 5.2 The scores in appendix two are indicative only in order to give members an initial relative assessment of the strength of each bid. A low score might indicate a bid which is not yet fully complete. In some cases, low scoring bids have been returned to their sponsor to seek more information which might enable a higher score to be assessed.
- 5.3 It is proposed to undertake some informal sessions with Cabinet in order to more closely consider the capital programme for 2019/20 and a Capital Strategy to cover the next five years and beyond prior to bringing specific recommendations to the February Cabinet ahead of the Budget Setting Council on 27 February 2019.

## **6. MEDIUM TERM FINANCIAL STRATEGY**

- 6.1 The revision of the Medium Term Financial Strategy is progressing well and will be considered at the Budget Setting Council. The revision of the MTFS will be important and timely in order to provide sound financial planning processes to underpin the new Council's ambitions following the May election. Key considerations of the MTFS include:
- Balancing a positive outlook in supporting Council ambitions with the requirement to secure long term financial resilience of the organisation. The incorporation of the Funding the Future Strategy and associated plans will ensure that the Council can seek returns from capital investment and new ways of working whilst managing risk and promoting good governance.
  - Incorporation of recent CIPFA guidance in respect of Capital Strategies and prudential borrowing so that the Council makes affordable, prudent and sustainable capital investment decisions to support ambitions.
  - A thorough review of the Reserves Strategy to ensure an adequate level of reserves to balance longer financial sustainability with the deployment of surplus reserves towards Council ambitions. Specific consideration will be given to the Business Rates Reserve to ensure that balance is sufficient to manage future system risks but that any surplus balances are identified for members to consider how they might be deployed.



6.2 A full update on the Housing Revenue Account budget and financial outlook will be considered alongside the revenue budget including options to ensure that the service's 30-year business plan is viable and that its ongoing budget is balanced, whilst delivering value for money to tenants. This update will be reported to the 12 February Cabinet.

**7 DETAILS OF CONSULTATION**

7.1 As in previous years, planned public drop-in events, the usual high level consultation with relevant stakeholders on the budget will be undertaken prior to Budget Council in February. More specific consultation may be required depending on the budget savings options being considered. Consultation on council housing matters will be undertaken through the District Wide Tenants' Forum.

**8 OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)**

8.1 Regarding the budget strategy, Cabinet may approve the proposals as set out, or require changes to be made to the suggested approach. The overriding aim of any budget setting process is to approve a balanced budget by statutory deadlines, allocating resources to help ensure delivery of the Council's corporate and service ambitions. The proposed approach is in line with that broad aim and any changes that Cabinet puts forward should also be framed in that context.

8.2 In term of the actual budget position, this report puts forward a balanced budget. If Cabinet agrees the budget then it will form their proposal to Budget Scrutiny Panel on 22 January 2019 and to Council on 30 January 2019. These meetings, in turn, will inform the final budget proposal to be considered by Council on 27 February 2019.

**RELATIONSHIP TO POLICY FRAMEWORK**

The budget should represent, in financial terms, what the Council is seeking to achieve through its Policy Framework.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability etc)**

None directly arising in terms of the corporate nature of this report – any implications would be as a result of specific decisions on budget proposals affecting service delivery, etc.

**FINANCIAL IMPLICATIONS**

As set out in the report.

**SECTION 151 OFFICER'S COMMENTS**

The section 151 Officer (as Interim Head of Financial Services) has produced this report as part of his responsibilities.

**LEGAL IMPLICATIONS**

Legal Services have been consulted, but at this stage there are no legal implications arising.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no comments to add.

**BACKGROUND PAPERS**

Cabinet report on budget proposals on 4  
December 2018

Medium Term Financial Strategy 2018 to  
2022

**Contact Officer: Daniel Bates**

**Telephone: 01524 582117**

**E-mail: [dbates@lancaster.gov.uk](mailto:dbates@lancaster.gov.uk)**

## Appendix One – Cabinet’s Revenue Budget Proposals – 2018/19

Budget Gap		787	As set out in paragraph 2.3
<b>Savings</b>			
MRP savings	(310)		Lower level of capital expenditure to be funded from borrowing.
Refuse / Recycling	(203)		Additional round budgeted for 2019/20 not yet needed.
Inflation Savings	(213)		Removal of annual inflationary allowance from multiple non-staff budgets.
Additional Car Parking Income	(35)		Extra car parking income due to increased activity.
Reduction in R&M expenditure	(39)		Reduction in repairs and maintenance expenditure.
Other savings	(55)		Number of small savings.
Total Non Staff Savings		(855)	
Planned staff savings		(241)	To be delivered by increasing the vacancy allowance (£111k) and via restructures (£130k)
<b>Reduced Income</b>			
Car Park / Garden Waste Charges Freeze		131	No increases to car park fees or garden waste collection fees in 2019/20.
<b>Staff Growth</b>			
Legal	47		More legal support particularly in the area of property and planning.
ICT	22		Two new apprentices to cover service desk and project support.
HR	20		Temporary support to undertake a number of HR / restructure projects.
Health & Housing	34		Staff support to co-ordinate Council's approach to food and fuel poverty
Marketing	19		Staff support to economic development marketing initiatives.
<b>Total Staff Growth</b>		142	
<b>Non-Staff Growth</b>			
Fibre Network	10		To commission work alongside partners to significantly improve broadband coverage in the district.
CCTV	23		Extend CCTV service beyond initial pilot stage.
ASB team	3		To extend the Anti Social Behaviour Service beyond its original two year pilot (part funded by HRA).
Total Non Staff Growth		36	
<b>Growth to be funded from Reserves</b>			
Economic Growth Initiatives	145		Including Business and Skills support (£40k), Place Marketing (£75k), Local Wealth Building (£10k) and contribution to LSCER (£20k).
Zoo extension	25		Upfront investment to extend and enhance zoo facilities – payback period under 4 years.
Bin Sensor Pilot	11		To implement bin sensors so bins only emptied when full reducing costs – payback period under 2 years.
Grassland Management Study	35		Review of 3,500 areas of grass to inform more effective ways to manage grass cutting – payback period under 4 years.
Lancaster VIC	69		Move Lancaster VIC to Musuem – payback period under 3 years.
Friend of Parks	75		Support to groups to assist with projects in local parks.
<b>Total Growth to be funded from Reserves</b>		360	
<b>Contribution from Reserves</b>		(360)	
<b>Budget Gap if all proposals accepted</b>		0	

## Appendix Two – Capital Bids with officer group scores

<b>New (N) / Existing (E)</b>	<b>Scheme</b>	<b>Score</b>	<b>Cost</b>	<b>Source of funding</b>
N	Caton Road Flood Relief Scheme	62.0	847	unsupported borrowing
E	Vehicle Replacement Programme	55.0	4,991	unsupported borrowing
N	Vehicle Maintenance Unit Plant	45.0	75	reserves
E	ICT Infrastructure	44.5	285	reserves/unsupported borrowing
E	ICT Desktop Renewals	44.5	258	reserves/unsupported borrowing
N	Williamson Park	41.0	1,000	unsupported borrowing
E	ICT Telephony	39.0	200	unsupported borrowing
E	MAAP - Improving Streets	39.0	124	reserves/unsupported borrowing
E	City Museum Boiler	37.5	125	unsupported borrowing
E	Queen Victoria Memorial	37.5	250	unsupported borrowing
E	ICT Civica Financial & Civica Pay	37.0	258	unsupported borrowing
N	Canterbury Avenue Flood Relief Scheme	37.0	0	grant
E	Canal Quarter	34.5	550	unsupported borrowing
E	Energy Efficiency - Williamson Park Boiler	34.0	311	unsupported borrowing
E	Hale Carr Cemetery	33.0	132	unsupported borrowing
E	Empty Homes	33.0	101	reserves
N	Solar Installation SALC Phase 1	33.0	685	unsupported borrowing
N	Structural Repairs to 1 Lodge Street	31.5	358	unsupported borrowing
E	Royal Albert Playing Field Pavilion	30.0	82	unsupported borrowing
E	Demolition of Outbuildings at Edward Street	28.0	109	unsupported borrowing
E	Cable Street Christmas Lights	27.5	24	reserves/unsupported borrowing
E	Lancaster Town Hall Second Lift	25.0	622	unsupported borrowing
E	Happy Mount Park Pathways	25.0	112	reserves
E	Half Moon Bay Car Park	22.5	60	unsupported borrowing
E	Palatine Recreation Ground	22.0	125	unsupported borrowing
N	Parks & Open Spaces	20.5	150	unsupported borrowing
E	Lancaster Town Hall Phase 3	19.0	485	unsupported borrowing
E	Palatine Hall	19.0	122	unsupported borrowing
E	Heysham Gateway – Tanks Demolition/Removal	15.0	479	reserves/unsupported borrowing



To partners and stakeholders

We are seeking the opinion of partners and stakeholders on Lancashire County Council's proposed budget savings for 2019/20.

The council's 2018/19 revenue budget of £764.6m includes the application of £42m of reserves to support the in-year funding gap. The county council continues to face a significant financial challenge with an estimated gap between forecast expenditure and income of £135m by 2022/23. The forecast funding gap is not evenly spread with a gap of £60m in 2019/20, £110m in 2020/21, £122m in 2021/22 and £135m in 2022/23.

We are now consulting on Cabinet's budget proposals for 2019/20 which are contained within "Money Matters" Cabinet reports and can be viewed [here](#), and, if approved, would lead to a reduction in the funding gap to £14.6m in 2019/20 and £46m by 2022/23. This improved financial position primarily reflects £77.171m of savings proposals and management actions, £50.330m of which are policy decisions set out as individual budget option templates in Appendices 'C' and 'D'. The proposals contained within Appendix 'C' are also subject to appropriate consultation with individuals and parties potentially affected, nevertheless we would like to hear your thoughts on all of the savings proposals.

Your feedback will be considered and reported to our Full Council meeting on 14 February 2019 when the budget is set. Therefore we would be grateful if you could provide any comments that you would like us to consider no later than Friday 18 January 2019.

Please send responses to [moderngov@lancashire.gov.uk](mailto:moderngov@lancashire.gov.uk) or in writing to Budget Consultation Responses, Democratic Services, PO Box 78, County Hall, Preston, PR1 8XJ

Kind Regards

Legal and Democratic Services  
Lancashire County Council  
<https://www.lancashire.gov.uk/>

**Report to the Cabinet**

Meeting to be held on Monday, 3 December 2018

**Report of the Chief Executive and Director of Resources**

**Part I**

Electoral Divisions affected:  
All

**Money Matters 2018/19 Position - Quarter 2**

(Appendices 'A', 'B', 'C', and 'D' refer)

Contact for further information:

Angie Ridgwell, (01772) 536260, Chief Executive and Director of Resources,  
angie.ridgwell@lancashire.gov.uk

**Executive Summary**

This report provides an update to Cabinet on the county council's 2018/19 revenue financial position as at the end of September 2018 and an updated Medium Term Financial Strategy covering the period 2019/20 to 2022/23. The Medium Term Financial Strategy includes £77.171m of savings proposals and management actions, identified through the service challenge process and aimed at delivering better and sustainable services at a lower cost.

The reduction in the forecast funding gap represents a significant improvement, however a structural funding gap remains and work continues on phase two of the service challenge process to identify further proposals to enable the council to achieve a financially sustainable position over the strategy period.

In summary:

- (i) The 2018/19 revenue forecast outturn is £763.260m, representing a projected underspend of £1.379m (0.18%) of the agreed budget.
- (ii) The Medium Term Financial Strategy has been updated and revised downward and now indicates a financial deficit of £46.090m in 2022/23.
- (iii) The council is forecast to hold a General Reserve against unforeseen issues of £23.437m representing c3% of net budget.
- (iv) The council is forecast to hold £127.755m of uncommitted transitional reserve which is sufficient to meet the deficit in 2019/20.

## Recommendations

Cabinet is asked to:

- (i) **Note** the current forecast underspend of £1.379m on the revenue budget in 2018/19.
- (ii) **Note** the reduced funding gap of £46.090m covering the period 2019/20 to 2022/23 as set out in the revised financial outlook forecast for the council.
- (iii) **Approve** the budget adjustments for 2019/20, and following years' changes, included in the revised Medium Term Financial Strategy.
- (iv) **Note** the contents of the county council's reserves position and approve the transfers between reserves contained within the report.
- (v) **Note** the management actions identified totalling £26.841m with officers to proceed with their implementation.
- (vi) **Approve**, for purposes of consultation, the budget proposals set out in Appendix 'C', the outcomes of the consultation to be reported back to Cabinet for consideration in due course.
- (vii) **Approve** the budget proposals set out in Appendices 'C' and 'D', authorise officers to proceed with their implementation and agree that the 2019/20 budget is based upon these revenue decisions.

## Background and Advice

The detailed reports at Appendices 'A' to 'D' present the following:

- County council's 2018/19 forecast revenue position as at Quarter 2 (Appendix 'A').
- Revised Medium Term Financial Strategy for the period 2019/20 to 2022/23 as at Quarter 2, including reserves position (Appendix 'B').
- Service Challenge Savings Proposals (requiring consultation) (Appendix 'C')
- Service Challenge Savings Proposals (not requiring consultation) (Appendix 'D')

### Financial Position as at 30 September 2018 (Appendix 'A')

A revenue underspend is currently forecast for the county council of £1.379m and represents a variance of 0.18% against the overall revenue budget of £764.639m. The forecast outturn position is subject to a number of assumptions around the anticipated profile of expenditure for the rest of the year which is difficult to predict in some demand led budget areas. The report identifies those areas where forecast pressures exist and will be subject to ongoing detailed review, but also a number of underspending service areas and where these have been validated as reflecting a level of recurrent



underspend these have been picked up as management action savings within the Medium Term Financial Strategy. The focus will remain on continuing to tightly control and drive down costs wherever possible.

As part of monthly monitoring the savings that have been agreed to date are monitored by finance monitoring boards. The position at the end of Quarter 2 was that 93% of the financial value of savings were rated as on track, albeit some potentially having to undertake work to avoid any potential delays. The remaining 7% are the most challenging to deliver currently, but services are working hard to deliver those savings and are regularly reporting progress to finance monitoring boards.

### The Medium Term Financial Strategy and Reserves Position (Appendix 'B')

At Cabinet in September 2018 the medium term financial strategy set out a forecast funding gap of £135.300m by the end of the 4 year period (2019/20 – 2022/23). The updated funding gap has reduced to £46.090m by 2022/23 with a gap of £14.610m in 2019/20. The improved position primarily reflects £77.171m of savings proposals and management actions identified through the service challenge process along with the impact of increased funding provided within the autumn budget for adults and children's social care. The service challenges process is one of the four key priorities of the operational plan and has covered all service areas with 42 separate service challenges having been undertaken aimed at delivering better and sustainable services at a lower cost, particularly for services that have been identified as high cost in comparison to other county councils.

The value of the uncommitted Transitional Reserve is currently forecast to be £127.755m by the end of 31 March 2021 if there was no requirement for structural funding support from reserves to the 2019/20 or 2020/21 budgets. The value of the uncommitted transitional reserve is currently forecast to be sufficient to meet the identified funding gaps through to 2022/23, but the intention is to identify further savings and thereby reducing the gap and call on the transitional reserve, for 2020/21 and beyond.

### Service Challenge Savings (Appendices 'C' and 'D')

All services have undertaken a service challenge and this has resulted in savings identified that total £77.171m over the period 2019/20 to 2022/23. £26.841m of these relate to management actions rather than policy decisions with the most significant element relating to adult social care at £18.9m which includes additional savings opportunities being identified from the existing passport to independence programme savings programme. Management actions also include the continuation and extension of other existing savings programmes, staffing efficiencies, changes to working practices and processes, increased income generation and removal of recurring underspends identified by services and confirmed through the revenue monitoring process. These savings total £26.841m and they do not require cabinet approval.

£50.330m of the £77.171m savings (over the next 4 years) relate to policy decisions that are set out in Appendices 'C' and 'D'. The figures presented within the revised medium term financial strategy from 2019/20 onwards are presented on the assumption that these budget proposals are agreed by cabinet, subject in the case of

the budget proposals set out in Appendix 'C' to the outcome of appropriate consultation which will be reported back to Cabinet for a final decision in due course.

### **Consultations**

Proposals will be subject to appropriate consultation where required.

### **Implications**

This item has the following implications, as indicated:

### **Equality and Cohesion**

Cabinet must ensure that they comply with the requirements of the Public Sector Equality Duty as set out in s.149 of the Equality Act 2010. Where equality analyses have been required, they can be viewed at [http://council.lancashire.gov.uk/ecCatDisplayClassic.aspx?sch=doc&cat=14562&path=14252&\\$LO\\$=1](http://council.lancashire.gov.uk/ecCatDisplayClassic.aspx?sch=doc&cat=14562&path=14252&$LO$=1).

The budget proposals are set out in this report. In some cases they may have a negative impact on persons with protected characteristics and initial Equality Analysis reports are included where required. These must be taken into account as part of the decision making process.

### **Risk management and Financial Implications**

The county council's overall approach to managing financial risks continues to be to identify and acknowledge risks early and build their impact into financial plans while continuing to develop strategies which will minimise their impact. This approach operates in parallel with the identification and setting aside of sufficient resources to manage the financial impact of the change risks facing the organisation.

The financial risks that could affect the position outlined in the report primarily cover the following:

- *Level of Future Resources from Central Government*  
Risks remain in relation to the level of resources the council receives from the government in terms of Revenue Support Grant, business rates and the fairer funding settlement yet to be announced. At this point in time there is insufficient detailed information regarding the changes to amend the funding assumptions within the medium term financial strategy and they have been maintained at a prudent level. Future funding levels could therefore be higher or lower than currently forecast.
- *Demand*  
There is continued pressure on the council's budget, particularly around Adults and Children's social care, and the most up to date demand forecasts have been included. Any increase in demand above the current forecast will add additional pressure to future years and conversely reductions in demand will create underspends.

- Inflation*

A significant level of additional resource has been included in the medium term financial strategy, primarily on contractual price increases and particularly on social care where there are nationally recognised funding issues in the residential and domiciliary care markets. In addition, the medium term financial strategy includes estimates of the cost of increases that would enable independent sector providers to meet the additional costs of the new national living wage.
- Delivery*

The medium term financial strategy assumes that agreed savings will be delivered in the period 2019/20 to 2022/23. There are also a significant number of other factors, both internal and external which may impact upon delivery and these will need to be clearly identified and either minimised or optimised as appropriate.

## Legal

A number of the proposals set out in Appendix 'C' will require the council to carry out a consultation exercise in accordance with general public law principles. The form of such consultation is not prescribed and the nature and scope of consultation will be determined on a case by case basis.

The county council will consult with staff and the recognised trade unions, as appropriate, and where proposals require statutory consultation, this will be conducted in accordance with legal requirements.

## List of Background Papers

Paper	Date	Contact/Tel
Revenue Budget 2018/19 and Financial Strategy 2018/19 to 2021/22 Council Tax and Precept 2018/19	8 February 2018	Angie Ridgwell/ 01772 536260

Reason for inclusion in Part II, if appropriate

N/A



**Money Matters**  
**The County Council's Revenue Financial**  
**Position**  
**2018/19 Quarter 2**

## 1. Summary Revenue Budget Monitoring Position as at 30<sup>th</sup> September 2018

Service Area	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
Adult Services	556.267	561.255	4.988	-209.274	-213.545	-4.271	346.993	347.710	0.717	0.21%	2.873
Public Health & Wellbeing	97.158	95.147	-2.011	-77.379	-77.801	-0.422	19.779	17.346	-2.433	-12.30%	-2.222
Education & Childrens Services	232.474	231.731	-0.743	-71.752	-68.996	2.756	160.722	162.735	2.013	1.25%	0.039
Community Services	218.149	226.289	8.140	-84.904	-93.963	-9.059	133.245	132.326	-0.919	-0.69%	0.237
Economic Development & Planning	10.822	11.192	0.370	-7.182	-7.776	-0.594	3.640	3.416	-0.224	-6.15%	0.026
Programmes & Project Management and Customer Access	34.821	33.905	-0.916	-30.223	-28.374	1.849	4.598	5.531	0.933	20.29%	0.972
Finance, Corporate & Property Services	158.072	158.122	0.050	-81.513	-80.900	0.613	76.559	77.222	0.663	0.87%	0.864
Chief Executive Services	65.040	67.394	2.354	-45.937	-50.420	-4.483	19.103	16.974	-2.129	-11.14%	-0.109
<b>TOTAL</b>	<b>1,372.803</b>	<b>1,385.035</b>	<b>12.232</b>	<b>-608.164</b>	<b>-621.775</b>	<b>-13.611</b>	<b>764.639</b>	<b>763.260</b>	<b>-1.379</b>	<b>-0.18%</b>	<b>2.680</b>

## **2. Executive Summary**

This report provides an update to cabinet on the county council's 2018/19 revenue financial position as at the end of September 2018. The forecast outturn for 2018/19 is outlined in the table above, with a £1.379m underspend, which by way of context is 0.18% of the county council's net budget.

The narrative within this report provides details of key variances and the progress towards the achievement of savings. The revenue position includes significant levels of support from reserves that have previously been agreed. In 2018/19 the structural reserve funding totals £45.168m, primarily covering the funding gap, and if this support had not been available then forecast expenditure would exceeded forecast income by £43.789m.

In order to complete the forecast position at the end of Quarter 2 a detailed analysis of year to date income and expenditure has taken place for each service area in conjunction with a review of activity data and comparing this to trends in previous years and the position that is reported currently reflects our most robust forecast at this stage. However, there are some volatile, primarily demand led, service areas that could see their forecast fluctuate both positively and negatively during the rest of the financial year. Areas such as recycle income, concessionary travel, treasury management, adult social care and children's social care are areas that are particularly closely monitored as fluctuation across these areas are most likely to materially impact the forecast position. For example a 1% change in children's social care placements demand over that currently forecast would have a £2.7m impact on the current forecast position.

As part of the forecast above, analysis is also completed of some key cross cutting areas within service budgets, particular analysis undertaken on staffing budgets (as they are approximately half of the net budget of the county council). These budgets are forecast to underspend by c£2.7m. Services such as Mental Health and the Children, Family and Wellbeing Service currently have relatively high levels of vacancies but have undertaken successful recruitment campaigns over the last 6 months and therefore their underspends will not be recurrent. The staffing budgets this year contain savings relating to a vacancy factor and also terms and conditions. The information available at at Quarter 2 indicates that the vacancy factor saving is being achieved, however the terms and conditions saving which relates to unpaid annual leave, sickness levels and agency spend is not. However, due to the vacancy levels being higher than 2% that is built into the budget this is currently manageable, this will be kept under close review.

The savings that have been agreed to date are also closely monitored. The position at the end of Quarter 2 has maintained the position of 93% of savings we rated as on track, but some potentially with issues to work through such as delays. The remaining 7% are the most challenging to deliver currently, but services are working hard to deliver those savings are regularly reporting progress.

### 3. Adults Services

ADULTS	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
DISABILITY (adults)	29.996	29.242	-0.754	-31.955	-31.676	0.279	-1.959	-2.434	-0.475	-24.25%	-1.129
OLDER PEOPLE	26.426	26.858	0.432	-23.149	-22.945	0.204	3.277	3.913	0.636	19.41%	0.615
Learning Disabilities, Autism & Mental Health	198.109	196.691	-1.418	-23.410	-24.074	-0.664	174.699	172.617	-2.082	-1.19%	-1.347
SOCIAL CARE SERVICES (ADULTS)	300.544	307.294	6.750	-130.621	-134.733	-4.112	169.923	172.561	2.638	1.55%	4.729
POLICY INFO & COMMISSION AGE WELL	0.451	0.451	0.000	0.000	0.000	0.000	0.451	0.451	0.000	0.00%	-0.002
POLICY INFO & COMMISSION LIVE WELL	0.741	0.719	-0.022	-0.139	-0.117	0.022	0.602	0.602	0.000	0.00%	0.007
<b>TOTAL ADULTS</b>	<b>556.267</b>	<b>561.255</b>	<b>4.988</b>	<b>-209.274</b>	<b>-213.545</b>	<b>-4.271</b>	<b>346.993</b>	<b>347.710</b>	<b>0.717</b>	<b>0.21%</b>	<b>2.873</b>



### **Disability Service (Adults) – forecast underspend £0.475m**

The Disability (Adults) Service is forecast to underspend predominantly due to staffing underspends. However there has been an increase in staff costs since quarter 1 which has resulted in a reduced underspend.

### **Older People – forecast overspend £0.636m**

Care Navigation and Operational Support is forecast to underspend by £0.190m due to a number of vacancies following the service restructure in 2017/18. The service are currently in the process of recruiting to vacant posts, but they do traditionally encounter high turnover.

Care Services is forecast to overspend by £0.826m in 2018/19. This is as a result of underachievement of income savings targets and staffing pressures relating to regrading and enhancement costs.

### **Learning Disability, Autism & Mental Health – forecast underspend £2.082m**

The Learning Disability and Autism Services is forecast to underspend by £0.661m due to the following reasons:

- Staffing is forecast to underspend by £0.032m as a result of vacancies the service are currently experiencing. The service are working through the recruitment process to populate these posts.
- Demand overall is not currently being experienced at the levels originally forecast and built into the budget on residential and nursing placements and daycare resulting in a forecast underspend of £0.922m.
- The service are experiencing pressures in relation to Ordinary Residence cases, with current estimated costs of £0.980m.
- Underachievement of savings on the Health block contract of £0.370m, additional income of £0.952m from backdated Health claims and service user income, and an additional £0.105m forecast on Review Team Savings.

The forecast has changed from quarter one due to delays in achieving savings. These are however offset by the increased health and service user income and the reduction in demand.

Mental Health is forecast to underspend by £1.420m as a result of staffing underspends and additional income, with the income being the main reason for the improved forecast when compared to quarter 1. It is however important to note that significant recruitment has been undertaken by the service over the last 6 months and therefore this underspend is not expected to be recurrent.

### **Social Care Services – forecast overspend £2.638m**

Preventative services, including reablement and the equipment and carers services, are forecast to overspend by £0.161m. The net budget for these services is £16.429m and they are funded by Better Care Fund and improved Better Care Fund.

Staffing is forecast to overspend by £0.143m. The forecast overspend relates to non staff costs such as car allowances, with staff costs forecast to be on budget.

Domiciliary care and direct payments combined are forecast to overspend by £4.294m in 2018/19. This is predominantly due to demand pressures, which had started to emerge during the final quarter of the 2017/18 financial year and have continued over the first 2 quarters of 2018/19. Service User numbers are forecast to be 8.3% higher than in 2017-18, compared with budgeted demand increases of around 3.4% on average across domiciliary care and direct payments. Income is forecast to be higher than budget which has helped to offset some of the forecast overspend.

The overspends on non-residential care are offset by underspends of £1.615m across residential and nursing care. Demand for residential and nursing placements is lower than 2017/18 levels, however a continuing increase in placement costs is putting some pressure on the budget.

The remaining forecast underspends of £0.345m relate to day care and other services.

The improved position at quarter 2 is as a result of reduced demand and price trends for residential and nursing care in addition to increased income.

#### 4. Public Health and Wellbeing

PUBLIC HEALTH & WELLBEING	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
PUBLIC HEALTH & WELLBEING	0.431	0.774	0.343	-68.367	-68.675	-0.308	-67.936	-67.901	0.035	0.05%	-0.080
PATIENT SAFETY & QUALITY IMPROVEMENT	5.338	5.726	0.388	-0.587	-0.622	-0.035	4.751	5.104	0.353	7.43%	0.462
HEALTH EQUITY WELFARE & PARTNERSHIPS	66.325	65.528	-0.797	-1.259	-1.293	-0.034	65.066	64.235	-0.831	-1.28%	-0.692
CHILDREN AND FAMILY WELLBEING SERVICE	18.696	16.555	-2.141	-4.500	-4.444	0.056	14.196	12.111	-2.085	-14.69%	-2.022
HEALTH, SAFETY & RESILIENCE	1.793	1.852	0.059	-1.203	-1.389	-0.186	0.590	0.463	-0.127	-21.53%	-0.112
TRADING STANDARDS & SCIENTIFIC SERVICES	4.575	4.712	0.137	-1.463	-1.378	0.085	3.112	3.334	0.222	7.13%	0.222
<b>TOTAL PUBLIC HEALTH &amp; WELLBEING</b>	<b>97.158</b>	<b>95.147</b>	<b>-2.011</b>	<b>-77.379</b>	<b>-77.801</b>	<b>-0.422</b>	<b>19.779</b>	<b>17.346</b>	<b>-2.433</b>	<b>-12.30%</b>	<b>-2.222</b>

**Patient Safety & Quality Improvement – forecast overspend £0.353m**

The overspend is due to the use of agency staff to cover vacancies and undertake additional support for the service.

**Health Equity, Welfare & Partnerships – forecast underspend £0.831m**

The forecast underspend is due to underspends on staffing due to staff vacancies and also underspends on contract costs.

The service forecast includes a projected overspend on sexual health contracts of c£1.100m due to the tariff based contract and higher demand than budgeted. This contract has an agreed saving of £0.500m for 2018/19 but this is not currently being delivered.

In addition the crime and disorder budget is forecast to overspend by £0.135m due to the delayed delivery of the 2018/19 saving (only achieving £0.088m of the £0.220m savings target in 2018/19).

**Children and Family Wellbeing Service – forecast underspend £2.085m**

The majority of the underspend relates to staffing (£1.762m) due to vacancies and delays in recruitment. There are also additional underspends across operational costs.

**Health, Safety & Resilience – forecast underspend £0.127m**

The service is forecast to underspend by £0.127m in 2018/19 mainly due to the one-off over achievement of income.

**Trading Standards & Scientific Services – forecast overspend £0.222m**

The service is forecast to overspend by £0.222m in 2018/19 predominantly due to costs within scientific services, in particular equipment renewal and repairs which were also seen in 2017/18.

## 5. Education and Children's Services

EDUCATION AND CHILDRENS SERVICES	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
CHILDREN'S SERVICES	3.161	3.023	-0.138	-4.376	-4.376	0.000	-1.215	-1.353	-0.138	-11.36%	-0.142
SAFEGUARDING INSPEC & AUDIT	12.629	12.632	0.003	-0.568	-0.846	-0.278	12.061	11.786	-0.275	-2.28%	-0.165
POLICY INFO & COMMISSION START WELL	1.421	1.441	0.020	-0.545	-0.545	0.000	0.876	0.896	0.020	2.28%	0.018
SEN & DISABILITY	23.159	22.706	-0.453	-6.603	-6.005	0.598	16.556	16.701	0.145	0.88%	0.472
ADOPTION & FOSTERING RESIDENTIAL AND YOT	32.419	32.748	0.329	-2.848	-3.253	-0.405	29.571	29.495	-0.076	-0.26%	0.014
CHILDREN SOCIAL CARE	103.316	105.404	2.088	-2.010	-2.026	-0.016	101.306	103.378	2.073	2.05%	-0.386
SCHOOL IMPROVEMENT	15.313	15.259	-0.054	-8.434	-8.988	-0.554	6.879	6.271	-0.608	-8.84%	-0.659
LEARNING & SKILLS	41.056	38.518	-2.538	-46.368	-42.957	3.411	-5.312	-4.439	0.873	16.43%	0.887
<b>TOTAL EDUCATION AND CHILDRENS SERVICES</b>	<b>232.474</b>	<b>231.731</b>	<b>-0.743</b>	<b>-71.752</b>	<b>-68.996</b>	<b>2.756</b>	<b>160.722</b>	<b>162.735</b>	<b>2.014</b>	<b>1.25%</b>	<b>0.039</b>

**Children's Services – forecast underspend £0.138m**

This is due to small underspends forecast across Premature Retirement Costs (PRC) budgets and central costs.

**Safeguarding, Inspection and Audit - forecast underspend £0.275m**

The service is forecasting an underspend on staffing as a result of vacant posts. In addition, an over recovery of income is forecast for safeguarding services which is anticipated will be similar to 2017/18. These underspends are offset by small overspends forecasted in operational costs. The forecast position has improved compared to quarter 1 mainly due to staffing.

**Special Education Needs and Disability (SEND) - forecast to overspend by £0.145m**

The most significant overspends relates to family support costs, which are forecast to overspend by £0.684m, and direct payments, which are forecast to overspend by £0.180m. In addition, an under recovery of income is forecast in SEN Traded Services due to resource pressures and the prioritisation of statutory work and a further pressure of £0.107m due to a delay in the achievement of savings. Offsetting these overspends are forecast underspends within Lancashire Break Time and underspends across a number of teams due to staff vacancies.

The forecast position has improved compared to quarter 1 mainly due to the forecast underspend within Lancashire Break Time.

**Adoption, Fostering Residential and YOT - forecast underspend £0.076m**

The most significant underspends are within the Adoption Service which is forecasting to underspend by £0.333m, this is due to staff vacancies and reduced spend on adoption allowances. Foster care allowances are forecasting underspends of £0.200m. Offsetting these underspends are forecasted overspends within Residential In House of £0.463m due to an increase in staffing costs and operational costs across the service. There is no significant change to quarter 1.

**Children's Social Care - forecast overspend £2.072m**

The forecast variance includes an anticipated overspend of £2.007m related to staffing due to a number of vacant posts being covered by agency staff.

The most significant overspends relate to both Agency Residential and Fostering placements which are forecast to overspend by £2.185m. Placements increased from 206 in March 2017 to 265 in March 2018 and increased again to 303 in September 2018.

An underspend of £1.130m is forecast within family support payments (which covers Special Guardianship Orders (SGO's), Child Arrangement Orders (CAO's), assistance to families and other payments) as a result of the forecasted growth not materialising.

In addition, further underspends are forecast within leaving care allowances and agency remand placements. There is also a forecast underspend on staying put placements due to the receipt of a grant that was not expected in 2018/19.

The forecast position has deteriorated by £2.458m compared to quarter 1. This is mainly due to agency residential and fostering placements and staffing, which are offset by an improved position within assistance to families' payments.

#### **School Improvement - forecast underspend £0.608m**

A small underspend is forecast on staffing, however the majority of underspends relate to children looked after (CLA) work placements (£0.384m). In addition, there is an over achievement of income forecast of £0.158m.

#### **Learning & Skills - forecast overspend £0.873m**

This service makes c£5m contribution to corporate overheads, however the service is not currently achieving the targeted contribution. The forecast position is predominantly due to an undeliverable saving of c£0.500m within the Schools Catering Service. The main areas of pressure are Schools Catering Service, Outdoor Education and Learning Excellence. These services have additional pressures than those already highlighted, but are being reviewed by service managers with finance and as part of the strategy for the service going forward

## 6. Community Services

COMMUNITY SERVICES	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
HIGHWAYS	48.809	50.884	2.075	-36.549	-39.272	-2.723	12.260	11.612	-0.648	-5.29%	-0.554
LIBRARIES MUSEUMS CULTURE & REGISTRARS	15.728	15.019	-0.709	-6.413	-5.717	0.696	9.315	9.302	-0.013	-0.14%	0.039
PUBLIC & INTEGRATED TRANSPORT	72.502	74.337	1.835	-28.233	-28.699	-0.466	44.269	45.638	1.369	3.09%	0.229
WASTE MGT	81.110	86.049	4.939	-13.709	-20.275	-6.566	67.401	65.774	-1.627	-2.41%	0.523
<b>TOTAL COMMUNITY SERVICES</b>	<b>218.149</b>	<b>226.289</b>	<b>8.140</b>	<b>-84.904</b>	<b>-93.963</b>	<b>-9.059</b>	<b>133.245</b>	<b>132.326</b>	<b>-0.919</b>	<b>-0.69%</b>	<b>0.237</b>



### **Highways – forecast underspend £0.648m**

The forecast underspend is mainly due to additional income that the service is forecasting relating to charges for utility companies working in the network. It is a combination of permit scheme income, inspection fees, defect inspections and also penalty charges when work overruns. However, this is offset by an income pressure on pay and display at Preston Bus Station.

### **Libraries Museums Culture & Registrars – forecast underspend £0.013m**

No significant variance is forecast overall within the service, however it is projected that within individual services there will be some variances, but the budget will be managed overall. The most significant being pressures relating to museums and the conservation and collections team but the expectation is that these will be covered by additional income from the registration service.

### **Public & Integrated Transport – forecast overspend £1.368m**

There are a number of variances across the service with the significant areas detailed below:

- The most significant overspend relates to transport costs for pupils with special educational needs and disabilities (SEND) and excluded pupils. This is due to a combination of factors, there are additional school days falling within the 2018/19 financial year as opposed to 2017/18 largely relating to when schools have taken Easter holidays. In addition a combination of higher than assumed passenger numbers and greater taxi price increases is resulting in further pressures on the budget. These factors combined are resulting in a pressure of c£1.100m.
- Savings on special educational needs and disabilities (SEND) transport largely relating to a scheme enabling children to have the skills to travel independently. Due to delays in the scheme being implemented it is envisaged there will be a delayed delivery of achieving these savings of c£0.400m. Work is ongoing to review the delivery of these savings.
- An overspend of £0.232m relates to bus station running costs. The budget saving relating to this area was re-profiled for 2018/19 onwards, however it is forecast that the actual net running costs will exceed this budget provision.

- A 2018/19 budget saving relating to the closure of 4 transport information centres was agreed. Expressions of interest to run these sites have been received and have been agreed to be explored which will result in delayed delivery of savings whilst the sites remain operational.
- Forecast overspends of £0.313m relate to tendered public bus services. The budget for this service was increased to £3.000m in 2018/19 with additional routes are being delivered, however, fare income to date is lower than originally anticipated.
- Offsetting some of the budget pressures outlined above is a forecast underspend of £0.673m on concessionary travel. The costs in 2017/18 were particularly low due to the poor winter weather and a reduction was made in the MTFS for 2018/19, however the reduced trend in demand has continued in 2018/19 at a higher level than the adjustment that was made.

The forecast overspend has increased by £1.139m compared to that reported to Cabinet at quarter 1 largely due to the increased transport costs for SEND and excluded pupils.

### **Waste Management – forecast underspend £1.627m**

The most significant underspend of £1.776m relates to the costs of waste disposal. The reasons for this are that there are lower than budgeted waste arisings, more waste is being diverted away from landfill which is the most expensive method of disposal and a higher than assumed level of evaporation of waste is being achieved at Thornton waste recovery park.

Partly offsetting this underspend is a pressure relating to income received for recycled waste, particularly paper and card which is resulting in forecast overspends of £0.680m. These markets are volatile so the position is subject to change throughout the year.

Other underspends are forecast relating to the operating costs of the waste company of £0.200m and the costs of green waste due to lower tonnages of £0.245m.

The forecast position has improved by £2.149m compared to what was reported to cabinet at quarter 1 due to reduced costs of waste disposal, increased prices for recycled waste and the forecast relating to Household Waste Recycling Centres having come back in line with budget as at quarter 1 an overspend of £0.523m was reported.+

## 7. Economic Development and Planning

ECONOMIC DEVELOPMENT & PLANNING	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
ECONOMIC DEVELOPMENT	0.129	0.137	0.008	0.000	0.000	0.000	0.129	0.137	0.008	6.20%	0.007
BUSINESS GROWTH	4.401	4.403	0.002	-2.770	-2.712	0.058	1.631	1.691	0.060	3.68%	-0.014
LEP COORDINATION	1.269	1.768	0.499	-1.023	-1.518	-0.495	0.246	0.250	0.004	1.63%	0.004
STRATEGIC ECONOMIC DEVELOPMENT	0.503	0.370	-0.133	-0.509	-0.505	0.004	-0.006	-0.135	-0.129	2150.00%	0.005
PLANNING AND ENVIRONMENT	4.520	4.514	-0.006	-2.880	-3.041	-0.161	1.640	1.473	-0.167	-10.18%	0.024
<b>TOTAL ECONOMIC DEVELOPMENT &amp; PLANNING</b>	<b>10.822</b>	<b>11.192</b>	<b>0.370</b>	<b>-7.182</b>	<b>-7.776</b>	<b>-0.594</b>	<b>3.640</b>	<b>3.416</b>	<b>-0.224</b>	<b>-6.15%</b>	<b>0.026</b>

**Strategic Economic Development – forecast underspend £0.129m**

The forecast underspend is as a result of additional income received by the service.

**Planning and Environment – forecast underspend £0.167m**

The forecast underspend relates to additional income and a small underspend on staffing.

## 8. Programmes and Project Management

PROGRAMMES & PROJECT MANAGEMENT AND CUSTOMER ACCESS	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
CORE BUSINESS SYSTEMS TRANSFORMATION	4.097	4.072	-0.025	-0.302	-0.302	0.000	3.795	3.770	-0.025	-0.66%	0.047
DESIGN and CONSTRUCTION	23.084	22.285	-0.799	-25.875	-24.661	1.214	-2.791	-2.376	0.415	14.87%	0.624
PROGRAMME OFFICE	2.301	2.011	-0.290	-1.841	-1.010	0.831	0.460	1.001	0.541	117.61%	0.585
CUSTOMER ACCESS	5.339	5.537	0.198	-2.205	-2.401	-0.196	3.134	3.136	0.002	0.06%	-0.284
<b>TOTAL PROGRAMMES &amp; PROJECT MANAGEMENT AND CUSTOMER ACCESS</b>	<b>34.821</b>	<b>33.905</b>	<b>-0.916</b>	<b>-30.223</b>	<b>-28.374</b>	<b>1.849</b>	<b>4.598</b>	<b>5.530</b>	<b>0.933</b>	<b>20.29%</b>	<b>0.972</b>

## **Design and Construction – forecast overspend £0.415m**

- A lower than forecast income recovery of £0.591m is expected largely due to the service working on a larger number of smaller projects which tend to require a proportionately greater amount of staffing resource. Partly offsetting this are forecast underspends of £0.469m on staffing and agency costs. Depending on levels of work the service flexes staffing resource, particularly their reliance on agency staff, however the mix of projects that are being delivered in 18/19 means the staffing underspend is significantly lower than the reduced income levels.
- Design and Construction highways is forecast to overspend by £0.292m. There are currently several vacancies so whilst there is a significant staffing underspend there is a greater under recovery on income as the service is income generating.

The forecast position has improved by £0.210m compared to that reported to cabinet at quarter 1 largely due to an improved position on income for property related work.

## **Programme Office – forecast overspend £0.541m**

This forecast overspend is due to project work being undertaken not generating the level of income required within the budget. This recurring pressure is offset by underspends on staffing and non-staffing costs. The forecast position includes the support of £0.861m reserves funding in 2018/19. The forecast position has not changed significantly compared to quarter 1.

## 9. Finance, Corporate and Property Services

FINANCE, CORPORATE AND PROPERTY SERVICES	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
BTLS	24.526	24.540	0.014	-4.696	-3.837	0.859	19.830	20.703	0.873	4.40%	0.890
DEVELOPMENT AND CORPORATE SERVICES	0.746	0.746	0.000	-0.746	-0.746	0.000	0.000	0.000	0.000	0.00%	0.000
LANCASHIRE PENSION FUND	0.184	0.213	0.029	-0.184	-0.214	-0.030	0.000	-0.001	-0.001	0.00%	0.019
EXCHEQUER SERVICES	4.390	4.360	-0.030	-1.944	-1.982	-0.038	2.446	2.378	-0.068	-2.78%	-0.056
FINANCIAL MGT (DEVELOPMENT AND SCHOOLS)	2.349	2.328	-0.021	-2.148	-2.266	-0.118	0.201	0.062	-0.139	-69.15%	-0.015
FINANCIAL MGT (OPERATIONAL)	1.941	1.891	-0.050	-0.192	-0.171	0.021	1.749	1.720	-0.029	-1.66%	-0.034
OFFICE OF THE POLICE AND CRIME COMMISSIONER TRES	0.086	0.090	0.004	-0.097	-0.097	0.000	-0.011	-0.007	0.004	36.36%	0.004
CORPORATE FINANCE	17.104	16.657	-0.447	-13.475	-13.040	0.435	3.629	3.617	-0.012	-0.33%	0.030
INTERNAL AUDIT	0.893	0.892	-0.001	-0.193	-0.172	0.021	0.700	0.720	0.020	2.86%	0.010

FINANCE, CORPORATE AND PROPERTY SERVICES	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
PROCUREMENT	3.176	2.737	-0.439	-1.626	-1.188	0.438	1.550	1.549	-0.001	-0.06%	0.016
LEGAL AND DEMOCRATIC SERVICES	14.231	16.212	1.981	-2.207	-2.481	-0.274	12.024	13.731	1.707	14.20%	1.684
CORONER'S SERVICE	2.955	2.852	-0.103	-0.260	-0.264	-0.004	2.695	2.588	-0.107	-3.97%	-0.035
HUMAN RESOURCES	9.734	10.843	1.109	-8.856	-10.221	-1.365	0.878	0.622	-0.256	-29.16%	-0.228
BUSINESS INTELLIGENCE	1.285	1.298	0.013	-0.405	-0.405	0.000	0.880	0.893	0.013	1.48%	0.003
SKILLS LEARNING & DEVELOPMENT	4.255	4.358	0.103	-1.672	-1.996	-0.324	2.583	2.362	-0.221	-8.56%	-0.042
FACILITIES MGT	28.973	28.645	-0.328	-9.385	-8.464	0.921	19.588	20.181	0.593	3.03%	0.431
ASSET MGT	39.549	37.830	-1.719	-32.320	-32.259	0.061	7.229	5.571	-1.658	-22.94%	-1.776
ESTATES	1.695	1.630	-0.065	-1.107	-1.097	0.010	0.588	0.533	-0.055	-9.35%	-0.037
<b>TOTAL FINANCE, CORPORATE AND PROPERTY SERVICES</b>	<b>158.072</b>	<b>158.122</b>	<b>0.050</b>	<b>-81.513</b>	<b>-80.900</b>	<b>0.613</b>	<b>76.559</b>	<b>77.222</b>	<b>0.663</b>	<b>0.87%</b>	<b>0.864</b>



**BTLS – forecast overspend £0.873m**

The forecast overspend is due to delayed delivery of savings, income and inflationary pressures.

**Legal and Democratic Services – forecast overspend £1.707m**

The forecast overspend is predominantly due to legal fee budget pressures. The increase in legal fees spend can be attributed to a significant increase in referrals to the child protection team over the last quarter and costs associated with some procurement court cases and large capital schemes.

**Coroner's Service – forecast underspend £0.107m**

The forecast underspend principally is due to reductions in pathologists fees following the introduction of electronic scanning.

**Human Resources – forecast underspend £0.256m**

The forecast underspend is due increased income and some underspends on operational costs.

**Skills, Learning and Development – forecast underspend £0.221m**

The forecast underspend largely relates to reduced costs within operational budgets.

**Facilities Management – forecast overspend £0.593m**

The forecast overspend is due to a non-recurring overspend due to some delayed charges that relate to 2017/18 that the service have incurred in addition to this year's costs.

The budget for repairs and maintenance in 2018/19 was reduced for agreed savings of £0.750m. Work is underway to carry out condition surveys and develop a programme of planned works to reduce future reactive repair and maintenance costs, however, it is not anticipated the saving will be fully achieved this year and an overspend of £0.251m is anticipated.

Following a full review and centralisation of property running costs in 2017/18 savings of £0.730m are forecast to be delivered in year, reducing the call on reserves previously agreed.

**Asset Management – forecast underspend £1.658m**

The forecast underspend is mainly due to a non-recurrent underspend of £0.651m which relates to the timing of recharging schools for utility costs relating to 2017/18 and an underspend of c£900k relating to taxation for carbon emissions that has been paid in earlier years. In addition, an underspend is forecast on street lighting energy of £0.222m.

**Financial Management (Development and Schools) – forecast underspend £0.139m**

The forecast underspend of £0.139m is due to additional income.

## 10. Chief Executive Services

CHIEF EXECUTIVE SERVICES	Approved Expenditure Budget	Current Period Expenditure Forecast Outturn	Current Period Expenditure Forecast Variance	Approved Income Budget	Current Period Income Forecast Outturn	Current Period Income Forecast Variance	Approved Net Budget	Current Period Net Forecast Outturn	Current Period Net Forecast Variance	Current Period Net Forecast Variance	Q1 Forecast Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m	%	£m
<b>CHIEF EXECUTIVE</b>	2.145	2.485	0.340	-0.116	-0.493	-0.377	2.029	1.992	-0.037	-1.82%	-0.031
<b>SERVICE COMMUNICATIONS</b>	1.272	1.233	-0.039	-0.473	-0.433	0.040	0.799	0.800	0.001	0.13%	0.015
<b>CORPORATE BUDGETS (FUNDING AND GRANTS)</b>	0.000	11.025	11.025	-44.637	-44.637	0.000	-44.637	-33.612	11.025	24.70%	11.025
<b>CORPORATE BUDGETS (PENSIONS &amp; APPRENTICESHIP LEVY)</b>	21.874	22.124	0.250	0.000	0.000	0.000	21.874	22.124	0.250	1.14%	0.250
<b>CORPORATE BUDGETS (TREASURY MANAGEMENT)</b>	39.749	30.527	-9.222	-0.711	-4.857	-4.146	39.038	25.670	-13.368	-34.24%	-11.368
<b>TOTAL CHIEF EXECUTIVE SERVICES</b>	<b>65.040</b>	<b>67.394</b>	<b>2.354</b>	<b>-45.937</b>	<b>-50.420</b>	<b>-4.483</b>	<b>19.103</b>	<b>16.974</b>	<b>-2.129</b>	<b>-11.14%</b>	<b>-0.109</b>

### **Corporate Budgets – forecast underspend £2.093m**

A significant underspend is forecast following approval of a change to the Minimum Revenue Provision policy by Full Council. This has enabled a reduction in costs of £9.3m in 2018/19. This is offset by a pressure of £11.0m relating to the deferred capital receipts relating to the Cuerden site.

There is a forecast underspend of £4.000m within the Treasury Management budget as a result of higher income receipts. With the markets responding to economic and political events there has been volatility in the price of Gilts and other bonds which has enabled the council to generated surplus on sales. It is difficult to predict the movement in the markets over the rest of the year and no further provision for surplus on sale of assets has been included in the budget at this point, although we will continue to seek to optimise the council's position.

An overspend of £0.250m is forecast due to a saving relating to the Apprenticeship Levy not yet being delivered.

**Money Matters**  
**Financial Outlook for the County Council**  
**Medium Term Financial Strategy &**  
**Reserves as at 30<sup>th</sup> September 2018**

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**Lancashire**

County  
Council



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## **Financial Outlook for the County Council: Medium Term Financial Strategy**

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### **1. Executive Summary**

At cabinet in September 2018 the medium term financial strategy (MTFS) set out a forecast funding gap of £135.300m by the end of the 4 year period (2019/20 – 2022/23). This report provides an updated position for the 4 year period covering 2019/20 - 2022/23 and a review of assumptions to reflect the most current information available.

The updated funding gap contained within the report has reduced to £46.090m by 2022/23 with a gap of £14.610m in 2019/20. The improved position primarily reflects £77.171m of savings proposals and management actions identified through the service challenge process, and contained within the report, along with the impact of increased funding provided within the autumn budget for adults and children's social care. The service challenges process is one of the four key priorities of the operational plan and has covered all service areas with 42 separate service challenges having been undertaken. Their aim has been to deliver better and sustainable services at a lower cost, particularly for services that have been identified as high cost in comparison to other county councils.

The reduction in the forecast funding gap identified represents a significant improvement. However it does not fully address the structural deficit which varies over each of the 4 years shown in Table 1 being at its highest in the first 2 years of the MTFS reflecting the implementation period required for many of the proposals. Phase two of the service challenge process will seek to address the ongoing deficit and will focus on a number of cross-cutting workstreams and areas for investigation and review identified in the initial phase but where further work is required to evidence a proposal. These further saving proposals will come forward for consideration at future Cabinet meetings.

The revised funding gap also makes assumptions about future funding levels and there remains significant uncertainty about this post 2019/20 with changes to be made in respect of business rates retention, the overall funding formula and the anticipated green paper on adult social care. Section 5 of this report covers primarily the risk linked to the financial assumptions contained within the report.

The value of the uncommitted transitional reserve is currently forecast to be sufficient to meet the identified funding gaps through to 2022/23. However the intention is to identify further savings and thereby reduce the call on the transitional reserve, for 2020/21 and beyond.

The table on page 4 provides a detailed analysis of movements between the previously reported financial gap and the revised financial gap:

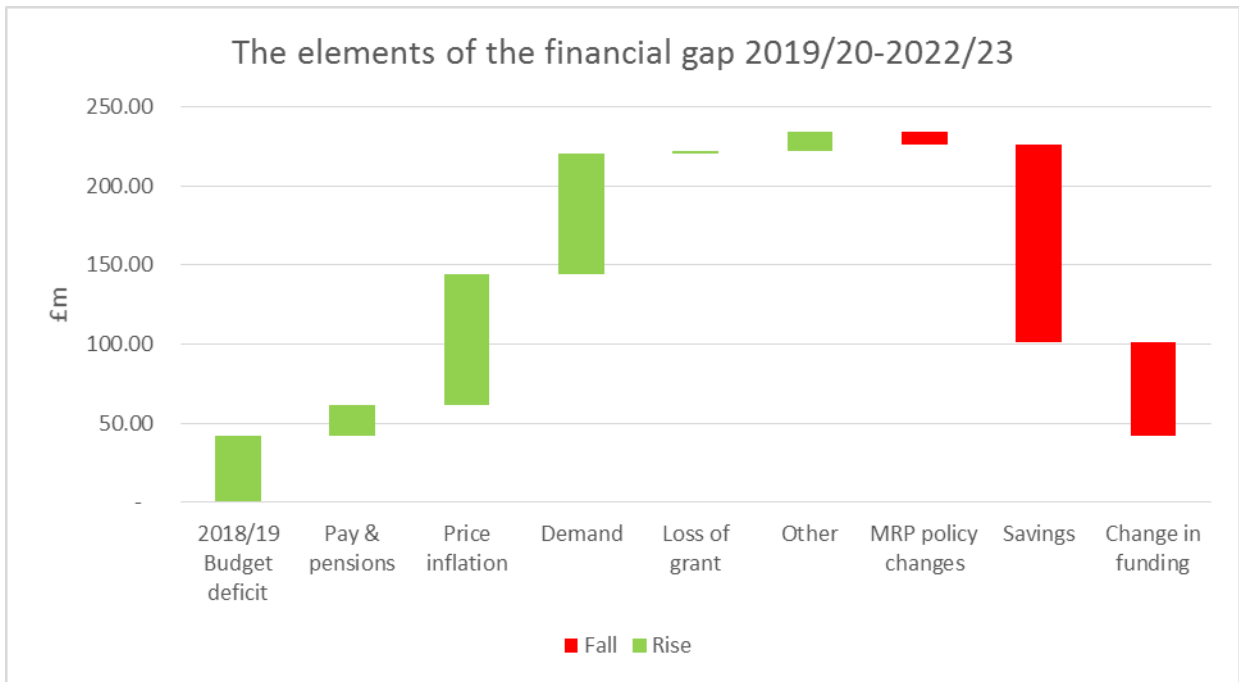
**Table 1**

	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Forecast net budget requirement	830.371	809.084	795.187	821.987	<b>3256.629</b>
Funding	769.775	758.982	783.554	809.018	<b>3121.329</b>
<b>Spending Gap as reported to Cabinet</b>	<b>60.596</b>	<b>50.102</b>	<b>11.633</b>	<b>12.969</b>	<b>135.300</b>
Add change to forecast of spending:					
Pay & Pensions	0.198	-6.316	0.123	0.288	<b>-5.707</b>
Inflation and Cost Changes	0.004	0.011	0.011	0.387	<b>0.412</b>
Service Demand and Volume Pressures	5.523	0.012	0.008	0.264	<b>5.808</b>
Other	5.971	-1.029	-7.005	0.265	<b>-1.798</b>
Specific grants	0.027	0.000	0.000	0.000	<b>0.027</b>
Undeliverable Savings	2.431	0.000	1.732	0.000	<b>4.163</b>
Additional Savings	-37.195	-29.600	-7.875	-2.501	<b>-77.171</b>
<b>Total Change to Forecast of Spending</b>	<b>-23.041</b>	<b>-36.922</b>	<b>-13.006</b>	<b>-1.297</b>	<b>-74.265</b>
Change to forecast of resources:					
Funding	-22.945	1.000	7.000	0.000	<b>-14.945</b>
<b>Total Change to Forecast of Resources</b>	<b>-22.945</b>	<b>1.000</b>	<b>7.000</b>	<b>0.000</b>	<b>-14.945</b>
<b>Funding Gap</b>	<b>14.610</b>	<b>14.180</b>	<b>5.628</b>	<b>11.673</b>	<b>46.090</b>

<b>Aggregated Funding Gap</b>					
<b>2019/20 (£m)</b>	14.610	14.610	14.610	14.610	14.610
<b>2020/21 (£m)</b>		14.180	14.180	14.180	14.180
<b>2021/22 (£m)</b>			5.628	5.628	5.628
<b>2022/23 (£m)</b>				11.673	11.673
<b>Total</b>	<b>14.610</b>	<b>28.790</b>	<b>34.418</b>	<b>46.090</b>	<b>46.090</b>
<b>Previous position (£m)</b>	60.596	110.699	122.332	135.301	135.301
<b>Variance (£m)</b>	<b>-45.986</b>	<b>-81.909</b>	<b>-87.915</b>	<b>-89.211</b>	<b>-89.211</b>



The graph below demonstrates the drivers that make up the changes in the financial gap from £42m carried forward from 2018/19 to the cumulative position of £46m in the financial year 2022/23 as shown in the table above:



## 2. Funding

The funding included within this report reflects the final settlement that was announced on 6<sup>th</sup> February 2018 and only covers the financial years up to and including 2019/20. Assumptions around funding levels have therefore been made for 2020/21 – 2022/23.

The updated MTFS also includes the additional funding that was announced as part of the Chancellor's Autumn Statement on 29<sup>th</sup> October 2018. Most notably, additional funds were announced in response to the pressures on adult and children's social care services and the additional funding has been included recurrently within the MTFS. This assumption reflects the acknowledgement of the social care funding challenges by government, the proposal to issue a green paper on adult social care and the shifting emphasis in the health sector to prevention and population health. However, the actual position will be confirmed as part of future settlements.

It is currently anticipated that a new system of local government finance, the "fair funding formula", will be in place in 2020/21 which involves local government retaining 75% of the business rates and a review of the funding formula. However, details of the scheme and the impact on Lancashire are not known at this time, although further proposals and consultations are anticipated in coming weeks. Without any insight into the outcomes of this work, the MTFS assumes that the funding proposals will match the current business rates and grants structure in future years, with the exception that the revenue support grant will cease from 2020/21, in line with previous government announcements.

Since the last cabinet report at quarter 1, there is additional funding in relation to social care as announced in the budget and additional amounts included in 2019/20 and 2020/21 for anticipated capital receipts.

**Table 2**

	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>
Revenue Support Grant	32.894	0.000	0.000	0.000
Business Rates	194.887	198.989	204.431	210.043
Council Tax	495.510	513.964	533.102	552.951
New Homes Bonus	3.472	3.019	3.010	3.010
Better Care Fund	40.014	40.014	40.014	40.014
Capital receipts	8.000	7.000	0.000	0.000
Social Care Grant	14.945	14.945	14.945	14.945
Collection Fund Surplus	3.000	3.000	3.000	3.000
<b>Total</b>	<b>792.722</b>	<b>780.931</b>	<b>798.502</b>	<b>823.963</b>
<b>Funding - Previous MTFS</b>	<b>769.777</b>	<b>758.986</b>	<b>783.557</b>	<b>809.018</b>
<b>Variance</b>	<b>-22.945</b>	<b>-21.945</b>	<b>-14.945</b>	<b>-14.945</b>
<b>Impact on financial gap</b>	<b>-22.945</b>	<b>1.000</b>	<b>7.000</b>	<b>0.000</b>

## **2.1 Council Tax and Business Rates**

### **2.11 Council Tax**

The MTFS currently reflects the following assumptions in relation to the county council's council tax increases as previously reported to cabinet, however this is a decision for full council to make each year when setting the budget.

**Table 3**

	Council Tax increase (without the requirement for a referendum)	Additional council tax flexibility	Adult Social Care Precept	Total council tax increase
2019/20	1.99%	1.00%	1.00%	3.99%
2020/21	1.99%			1.99%
2021/22	1.99%			1.99%
2022/23	1.99%			1.99%

From 2020/21 onwards, it is assumed the maximum increase that the county council is able to apply to council tax, without a referendum, is 1.99%, as the option to raise an adult social care precept will no longer be available, and the additional 1% flexibility ceases after 2019/20. Any decisions not to increase council tax in line with the assumptions above would increase the financial gap; every 1% in council tax yields c£5m.

Analysis of Lancashire's tax base over recent years indicates an average annual council tax base increase of 1.7%, and this is included within the MTFS.

Council tax collection rates vary across Lancashire's district councils and are relatively low compared to other councils nationally. The county council is working with some district councils to look at how collection levels can be improved, as an improvement of just 1% overall would increase funding to the county council by c£5m each year and of course would yield a proportionate benefit to the district council.

### **2.12 Business Rates**

Business rates income is a significant portion of funding to local authorities. The baseline is an assessment of the business rate income required to meet service needs. For the county council, the amount anticipated to be received from the business rates collected in the area is less than its assessed need and therefore we receive a top up grant.

Business rates income for the county council is heavily dependent on cooperation from the district councils, and much will depend on the general economic performance of local areas. The collection rates across Lancashire present a mixed performance when compared nationally, and the county council is working with districts to improve this performance. In addition, a number of businesses have valuation appeals outstanding, some of which are on large value properties. If successful these will have a negative impact on the ability to generate business rates. With this in mind a minimal amount of growth has been built into our local share at 0.5%.

The county council is currently part of a business rates pool with 10 district councils across Lancashire.

### **2.13 Business Rates Pilot**

On 25<sup>th</sup> September 2018 Lancashire county council, along with 11 district councils and the two unitary authorities of Blackburn and Blackpool, submitted a bid for a 75% business rates pilot which would see potentially a one off extra £10.8m retained across Lancashire. The money will be divided into three pots; £0.540m to cover potential appeals and losses, £2.500m for sustainability and growth projects and the remaining £7.800m will be divided between the pilot authorities as per the agreed percentage splits.

The outcome of the business rates pilot is expected to be announced as part of the provisional settlement in December 2018, therefore the possible additional funding has not been built into the MTFS at this stage.

### **2.2 Capital Receipts**

In April 2016 the government introduced the flexibility for capital receipts to be used to fund revenue expenditure that is designed to generate ongoing revenue savings or service improvements. This flexibility is currently available until 2020/21.

Following a detailed review, capital receipts of £8m and £7m are estimated to be received over the next two years. As part of the service challenge process additional resources have been identified to support the transformation of services and delivery of the savings outlined in Section 3.5 and Appendix C and D of this report. The assumption within the MTFS is that there will be sufficient capital receipts to meet these transformation costs over the next 2 years and therefore they will not be a draw on reserves or increase the funding gap.

## **3. Net Budget Requirement**

The MTFS covers spending pressures including pay increases, contractual inflation, increased demand for services and the impact of previously agreed and new savings measures.

### **3.1 Pay and Pensions**

In December 2017 it was announced by the National Employers for Local Government Services that following negotiations a new pay offer covering the period 1 April 2018 and 31 March 2020 had been agreed. In 2019/20 the new pay offer proposes that local government organisations move to a new pay spine and this is reflected within the pay budget in the MTFS. A 2% increase has therefore been included in 2019/20 and an assumption of 1% included in later years until further information is known in relation to the pay spine and subsequent increases. A 1% pay award equates to an additional net annual cost of c£3m.

The employer pension contribution is reflected within the MTFS based on the latest information available in relation to the county council's estimated contribution rate and deficit contributions. This is reviewed, updated and confirmed every three years through the triennial valuation with employer minimum contribution levels being reset from 2020/21. Based on the current funding levels and reduction in the deficit a

reduced annual employer contribution of £6.4m is estimated and included within the MTFS.

The table below presents the amounts built into the MTFS for pay and pensions:

**Table 4**

	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>Total £m</b>
Employee Costs	9.238	4.263	4.006	3.848	<b>21.355</b>
Pensions Costs	0.374	-6.026	0.374	0.374	<b>-4.904</b>
Pension Prepayment Saving	-0.319	2.299	0.000	0.000	<b>1.980</b>
Other pay related costs	1.303	0.020	0.021	0.021	<b>0.837</b>
<b>Revised Pay and Pension requirements</b>	<b>10.596</b>	<b>0.556</b>	<b>4.401</b>	<b>4.243</b>	<b>19.796</b>
<b>Pay and Pensions - previous MTFS</b>	<b>10.398</b>	<b>6.872</b>	<b>4.278</b>	<b>3.955</b>	<b>25.503</b>
<b>Impact on Financial Gap</b>	<b>0.198</b>	<b>-6.316</b>	<b>0.123</b>	<b>0.288</b>	<b>-5.707</b>

### 3.2 Price Inflation and Cost Changes

Contractual price increases represent a significant cost pressure to the county council. The assumptions have been subject to regular review by services, with an incremental increase of £0.413m from the position at quarter 1 being forecast primarily relating to the final year of the current MTFS. The updated position is shown in table 5 below.

**Table 5**

	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Adults Services	15.060	16.360	12.380	13.147	<b>56.947</b>
Children's Services	1.296	1.221	1.237	1.698	<b>5.452</b>
Waste Services	0.177	2.353	3.215	3.295	<b>9.040</b>
Other Services	3.596	2.804	2.557	2.684	<b>11.641</b>
<b>Revised price inflation requirements</b>	<b>20.129</b>	<b>22.738</b>	<b>19.389</b>	<b>20.824</b>	<b>83.080</b>
<b>Price inflation – previous MTFS</b>	<b>20.125</b>	<b>22.727</b>	<b>19.378</b>	<b>20.437</b>	<b>82.667</b>
<b>Impact on Financial Gap</b>	<b>0.004</b>	<b>0.011</b>	<b>0.011</b>	<b>0.387</b>	<b>0.412</b>

### 3.3 Demand Pressures

All services have reviewed the demand pressures they face in future years and whilst they have reduced overall, increasing demand still remains a significant element of the funding gap. The MTFs at quarter 2 forecasts decreased requirement of £5.808m when comparing those years contained within the previous MTFs.

**Table 6**

	<b>2019/20 £m</b>	<b>2020/21 £m</b>	<b>2021/22 £m</b>	<b>2022/23 £m</b>	<b>Total £m</b>
Adults Services	15.049	15.831	9.473	10.163	<b>50.516</b>
Children's Services	7.139	3.056	1.668	1.415	<b>13.278</b>
Waste Services	1.764	1.824	1.931	2.058	<b>7.577</b>
Other Services	4.423	0.242	0.271	0.047	<b>4.983</b>
<b>Revised Demand Requirements</b>	<b>28.375</b>	<b>20.953</b>	<b>13.343</b>	<b>13.683</b>	<b>76.354</b>
<b>Demand – previous MTFs</b>	<b>22.852</b>	<b>20.941</b>	<b>13.335</b>	<b>13.419</b>	<b>70.546</b>
<b>Impact on Financial Gap</b>	<b>5.523</b>	<b>0.012</b>	<b>0.008</b>	<b>0.264</b>	<b>5.808</b>

Adult social care represents a large proportion of the demand pressures. Adult Social Care has long seen annual increases in the demand for services and the MTFs attempts to predict growth in future years largely based on reviewing current and past activity trends and also taking into account future population changes. From a social care perspective demand covers both increasing numbers of people eligible for support and the increasing complexity of those cases. All demand assumptions contained within this revised MTFs regarding adult social care have been reviewed based on the most up-to-date trend analysis.

The most significant increase at quarter 2 relates to a projected increase in insurance costs with an additional £4m built in recurrently into the MTFs from 2019/20. This reflects the outcome of an updated actuarial assessment of the council's current and future liabilities.



### **3.4 Other**

This section of the MTFS contains forecast additional costs related to the implementation of the service challenge proposals presented in section 3.5. These costs are estimated to be £14.297m over the next 2 years and are planned to be met through current capital receipt flexibilities. These costs primarily relate to additional capacity required to deliver the changes (both temporary and permanent), the most significant service areas for investment being adult social care with a requirement for c£8m over the 2 years to support c£42m of savings delivery.

### **3.5 Additional Savings**

In order to identify additional savings to deliver a financially sustainable position for the county council, all services have undertaken a service challenge. This has resulted in savings presented to Cabinet that total £77.171m over the period 2019/20 to 2022/23. These savings are either management action and are within the delegated powers of officers or policy decisions that require cabinet approval.

#### **Management Actions**

A considerable level of savings have been identified as management actions rather than policy decisions and are not expected to have a negative impact on service delivery. These savings total £26.841m. The most significant element of this relates to adult social care at £18.9m with the continuation and extension of the existing, and successful, passport to independence (P2I) programme with further additional savings targeted at further reductions in residential admissions from hospital and increased use and effectiveness of reablement. Management actions also include staffing efficiencies, changes to working practices and processes, increased income generation and removal of recurring underspends identified by services and confirmed through the revenue monitoring process. Annex 1 identifies the level of management action budget reductions identified via the service challenge process along with the estimated staffing impact.

#### **Policy Decisions**

The service challenges have identified proposed savings totalling £50.330m (over the next 4 years) that require a cabinet decision and these are set out in Appendices C and D. The figures presented within the revised MTFS from 2019/20 onwards are presented on the assumption that these budget proposals are agreed by cabinet, subject in the case of the budget proposals set out in Appendix C to the outcome of appropriate consultation which will be reported back to Cabinet for a final decision in due course.

It is anticipated that further savings proposals will be presented for approval at future cabinet meetings, reflecting that there remains an estimated shortfall of £14.610m in 2019/20 should all savings in this report be agreed and delivered.

## 4. Reserves

**Table 7**

Reserve Name	Opening Balance 2018/19	2018/19 Expenditure	2018/19 transfers to / from other reserves	2018-19 Transfers from revenue budget	2018/19 Forecast Closing Balance	2019/20 Forecast Spend	2020/21 Forecast Spend	Total as at 31 March 2021
	£m	£m	£m		£m	£m	£m	£m
County Fund	-23.437	0.000	0.000	0.000	-23.437	0.000	0.000	-23.437
<b>SUB TOTAL - COUNTY FUND</b>	<b>-23.437</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>-23.437</b>	<b>0.000</b>	<b>0.000</b>	<b>-23.437</b>
Strategic Investment Reserve	-3.765	0.740	1.679	0.000	-1.346	0.850	0.350	-0.146
Down sizing Reserve	-13.891	3.346	5.941	0.000	-4.605	4.605	0.000	0.000
Risk Management Reserve	-5.402	3.065	-0.694	0.000	-3.031	1.431	0.800	-0.800
Transitional Reserve	-155.066	50.247	-12.542	-11.025	-128.385	0.437	0.194	-127.755
Service Reserves	-19.118	8.904	5.616	0.000	-4.598	3.057	0.762	-0.779
Treasury Management Reserve	-10.000	0.000	0.000	0.000	-10.000	0.000	0.000	-10.000
<b>SUB TOTAL - LCC RESERVES</b>	<b>-207.243</b>	<b>66.302</b>	<b>0.000</b>	<b>-11.025</b>	<b>-151.965</b>	<b>10.380</b>	<b>2.106</b>	<b>-139.479</b>
Schools/Non-LCC Service Reserves	-16.521	1.674	0.000	0.000	-14.847	-0.843	-0.843	-16.533
<b>SUB TOTAL SCHOOLS/NON LCC RESERVES</b>	<b>-16.521</b>	<b>1.674</b>	<b>0.000</b>	<b>0.000</b>	<b>-14.847</b>	<b>-0.843</b>	<b>-0.843</b>	<b>-16.533</b>
<b>GRAND TOTAL</b>	<b>-247.201</b>	<b>67.977</b>	<b>0.000</b>	<b>-11.025</b>	<b>-190.249</b>	<b>9.537</b>	<b>1.263</b>	<b>-179.449</b>

The county fund shown at the top of Table 7 is the balance set aside to cover the authority against a serious emergency situation (e.g. widespread flooding); a critical and unexpected loss of income to the authority and for general cash flow purposes. In considering these various factors the county council is forecast to maintain its County Fund balance at £23.437m.

The value of the uncommitted transitional reserve is currently forecast to be £127.755m by the end of March 2021 if there was no requirement for structural funding support from reserves to the 2019/20 or 2020/21 budgets. This represents a slightly improved position from the £125.009m that was previously reported to cabinet in September due to some higher than previously forecast income.

The transitional reserve is forecast to be sufficient to meet the identified funding gaps through to 2022/23 as set out in table 8 below. However, the intention is to identify

further savings to reduce the gap, and hence the call on reserves, for 2020/21 and beyond.

**Table 8**

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>Opening Balance</b>	128.385	113.338	84.354	49.937
<b>Gap funding</b>	14.610	28.790	34.418	46.090
<b>Commitments</b>	0.437	0.194	0.000	0.000
<b>Closing balance</b>	<b>113.338</b>	<b>84.354</b>	<b>49.937</b>	<b>3.846</b>

## **5. Future Risks and Opportunities**

The following are key future risks, the full impact of which is not known at this stage:

### **5.1 Savings Delivery**

The scale of additional savings agreed is significant on top of over £40m of previously agreed savings still to be delivered in 2019/20 and future years. There are inherent risks in the delivery of any savings programme of this scale, particularly where they are directly linked to reducing the future demand for services. However, there is a strong track record of delivery of the vast majority of previous savings plans. Furthermore, a number of services have properly identified the need to invest in both temporary and recurrent resources to provide additional capacity needed to deliver the savings proposed.

Any significant under-delivery or slippage to delivery timeframes will create an additional funding pressure and impact on the ongoing and longer-term financial health of the council. This has been identified as one of the highest risks in the risk and opportunity register. There are comprehensive arrangements in place to track delivery of financial savings and take corrective actions where required. Where services are experiencing a potential negative variance in their savings plans, managers are actively seeking to meet any shortfalls through other activities within their service area.

### **5.2 Further Savings Opportunities – Service Challenge**

This report presents the conclusion of the initial service challenge process, with each service across the county council presenting opportunities for further savings. A benchmarking exercise across all county councils (and other councils where appropriate) identified that there are some service areas where Lancashire is high cost. The service challenge process was targeted at understanding the reasons for this and designing the delivery of better services at lower (median county council) cost. This process has resulted in the identification of c£77m from 42 individual service challenge reviews. There remain a number of areas where further, more detailed analysis and investigation is required and phase two of the service challenge process will progress this work as well as look more strategically at some cross-cutting issues that could provide the potential for additional savings proposals to come forward to future cabinet meetings for consideration.

As noted in section 5.1 this is a significant additional programme of savings and is therefore subject to the same risks and mitigations. As part of the identification of the savings a significant validation and project management exercise has been undertaken for each proposal and detailed monitoring and review will take place on all proposals agreed for implementation.

### **5.3 Business Rates Retention / Changes to Funding Formula**

As previously explained, the future funding arrangements to be established by government post a risk to the council as they may reduce funding below that assumed in the MTFs. Conversely there is equally an opportunity that additional resources are made available through this process. The outcome of the business rate pilot expected

to be announced alongside the 2019/20 settlement also presents an opportunity for one off resources to Lancashire and would reduce the funding gap.

#### **5.4 Children's Social Care**

Children's social care demand levels are forecast to continue to increase, particularly within agency residential placements, agency fostering placements and also special guardianship orders. Although the rate of growth is quite volatile, over recent months it has slowed down slightly.

Significant additional budget was allocated to children's social support improvements and demand pressures over the past 3 years. An assumption within this MTFs is made that demand will plateau in future years, with a reducing demand increase has been built into future year's budget.

#### **5.5 Troubled Families Funding**

The county council currently receives funding towards working with troubled families. Within the MTFs funding levels that we have received written confirmation for are included, but post 2019/20 there is no information available as to whether this funding will continue. It is assumed that funding levels will remain at 2019/20 levels. If the funding does cease this will result in a pressure on the budget of £2.1m. Given the lack of clarity we have discussed this with other Local Authorities in a similar position, as to the approach they are taking, and they have confirmed that they are also forecasting the funding to continue, but this will be closely monitored as announcements relating to funding are made in the Autumn and outcomes reflected in future MTFs reports.

#### **5.6 MTFs Assumptions and Scenario Analysis**

In preparing the MTFs a range of assumptions are made and to assess the level of risk inherent in the decisions being taken some of these have been stress tested against alternative scenarios.

The key assumption that has been analysed and tested relate to maintaining the additional social care funding announced by the Chancellor over the full period of the MTFs.

Alternative scenarios reflect the impact of this funding being removed;

- option "a" shows the best case scenario assuming an addition £2m reduction on employer pension contributions and no provision made for undeliverable savings
- option "b" shows the position if the winter pressures funding was removed, and
- option "c" presents the position if all the additional social care monies were removed.

Option "a" demonstrates an improved position from the MTFs presented in this report and show that the council would have sufficient reserves to manage through to 2023/24 when further saving would need to be made. Options "b" and "c" show a less favourable position than the MTFs and would see reserves running out during 2022/23. This stress testing gives confidence that the council can continue to live

within its means for a number of years even in adverse circumstances. This does not however diminish or negate the need to make further savings but does demonstrate that the council continues to have sufficient resilience to deliver them in a measured and structured way.

**Option a)**

<b>Aggregated Funding Gap</b>				
<b>2019/20 (£m)</b>	12.179	12.179	12.179	12.179
<b>2020/21 (£m)</b>		12.180	12.180	12.180
<b>2021/22 (£m)</b>			3.896	3.896
<b>2022/23 (£m)</b>				11.673
<b>Total</b>	<b>12.179</b>	<b>24.359</b>	<b>28.255</b>	<b>39.927</b>
<b>Previous position (£m)</b>	60.596	110.699	122.332	135.301
<b>Variance (£m)</b>	<b>-48.417</b>	<b>-86.340</b>	<b>-94.078</b>	<b>-95.374</b>

***Transitional Reserve Funding:***

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>Opening Balance</b>	128.264	115.648	91.095	62.841
<b>Gap funding</b>	12.179	24.359	28.255	39.927
<b>commitments</b>	0.437	0.194		
<b>Closing balance</b>	<b>115.648</b>	<b>91.095</b>	<b>62.841</b>	<b>22.913</b>

**Option b)**

<b>Aggregated Funding Gap</b>					
<b>2019/20 (£m)</b>	14.425	14.425	14.425	14.425	<b>57.699</b>
<b>2020/21 (£m)</b>		18.318	18.318	18.318	<b>54.955</b>
<b>2021/22 (£m)</b>			5.678	5.678	<b>11.355</b>
<b>2022/23 (£m)</b>				11.673	<b>11.673</b>
<b>Total</b>	<b>14.425</b>	<b>32.743</b>	<b>38.421</b>	<b>50.093</b>	<b>124.009</b>

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>Opening Balance</b>	128.264	113.402	80.465	42.045
<b>Gap funding</b>	14.425	32.743	38.421	50.093
<b>Commitments</b>	0.437	0.194		
<b>Closing balance</b>	<b>113.402</b>	<b>80.465</b>	<b>42.045</b>	<b>-8.049</b>

**Option c)**

<b>Aggregated Funding Gap</b>					
<b>2019/20 (£m)</b>	14.425	14.425	14.425	14.425	<b>57.699</b>
<b>2020/21 (£m)</b>		27.745	27.745	27.745	<b>83.236</b>
<b>2021/22 (£m)</b>			5.678	5.678	<b>11.355</b>
<b>2022/23 (£m)</b>				11.673	<b>11.673</b>
<b>Total</b>	<b>14.425</b>	<b>42.170</b>	<b>47.848</b>	<b>59.520</b>	<b>152.290</b>

***Transitional Reserve funding:***

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>Opening Balance</b>	128.264	113.402	71.038	23.191
<b>Gap funding</b>	14.425	42.170	47.848	59.520
<b>commitments</b>	0.437	0.194		
<b>Closing balance</b>	<b>113.402</b>	<b>71.038</b>	<b>23.191</b>	<b>-36.330</b>

# ANNEX 1

	Savings (£m)					FTE's				
	2019/20	2020/21	2021/22	2022/23	Total	2019/20	2020/21	2021/22	2022/23	Total
<b>Adults Services</b>										
Older People Services	-0.070	-0.070	0.000	0.000	-0.140	0.00	0.00	0.00	0.00	0.00
Social Care Adults	-5.691	-5.263	-0.128	0.000	-11.082	9.00	0.00	0.00	0.00	9.00
Learning Disability, Mental Health and Autism	-1.604	-0.831	0.000	0.000	-2.435	4.00	-2.00	0.00	0.00	2.00
All Adults Services	-1.000	-2.000	-2.315	0.000	-5.315	30.50	-1.00	-27.00	-1.00	1.50
	<b>-8.365</b>	<b>-8.164</b>	<b>-2.443</b>	<b>0.000</b>	<b>-18.972</b>	<b>43.50</b>	<b>-3.00</b>	<b>-27.00</b>	<b>-1.00</b>	<b>12.50</b>
<b>Public Health and Wellbeing</b>										
Children and Family Wellbeing Service	-0.331	0.000	0.000	0.000	-0.331	0.00	0.00	0.00	0.00	0.00
Patient Safety and Quality Improvement	-0.088	-0.166	0.000	0.000	-0.254	3.00	-1.00	0.00	0.00	2.00
	<b>-0.419</b>	<b>-0.166</b>	<b>0.000</b>	<b>0.000</b>	<b>-0.585</b>	<b>3.00</b>	<b>-1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.00</b>
<b>Education and Children's Services</b>										
Fostering, Adoption, Residential and YOT	-0.096	-0.121	0.000	0.000	-0.217	3.00	0.00	0.00	0.00	3.00
Safeguarding, Inspection and Audit	-0.070	-0.017	0.000	0.000	-0.087	0.00	0.00	0.00	0.00	0.00
Children's Social Care	-0.447	-0.241	-0.118	-0.118	-0.924	0.00	0.00	0.00	0.00	0.00
Special Educational Needs and Disability (SEND)	-0.174	-0.137	0.000	0.000	-0.311	0.00	0.00	0.00	0.00	0.00
Learning and Skills	-0.064	-0.083	0.000	0.000	-0.147	-1.00	-5.00	0.00	0.00	-6.00
School Improvement	-0.238	0.000	0.000	0.000	-0.238	-2.00	0.00	0.00	0.00	-2.00
	<b>-1.089</b>	<b>-0.599</b>	<b>-0.118</b>	<b>-0.118</b>	<b>-1.924</b>	<b>0.00</b>	<b>-5.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-5.00</b>

Temporary Investment					Permanent Reductions					Permanent Increases					Total				
FTE's					FTE's					FTE's					FTE's				
2019/20	2020/21	2021/22	2022/23	Total	2019/20	2020/21	2021/22	2022/23	Total	2019/20	2020/21	2021/22	2022/23	Total	2019/20	2020/21	2021/22	2022/23	Total
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.00	0.00	0.00	0.00	9.00
2.00	-2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	2.00	4.00	-2.00	0.00	0.00	2.00
29.00	-1.00	-27.00	-1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.50	0.00	0.00	0.00	1.50	30.50	-1.00	-27.00	-1.00	1.50
<b>31.00</b>	<b>-3.00</b>	<b>-27.00</b>	<b>-1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>12.50</b>	<b>43.50</b>	<b>-3.00</b>	<b>-27.00</b>	<b>-1.00</b>	<b>12.50</b>
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	-3.00	-1.00	0.00	0.00	-4.00	6.00	0.00	0.00	0.00	6.00	3.00	-1.00	0.00	0.00
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-3.00</b>	<b>-1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-4.00</b>	<b>6.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.00</b>	<b>3.00</b>	<b>-1.00</b>	<b>0.00</b>	<b>0.00</b>
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	3.00	3.00	0.00	0.00	0.00	3.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	-1.00	-5.00	0.00	0.00	-6.00	0.00	0.00	0.00	0.00	-1.00	-5.00	0.00	0.00	-6.00
0.00	0.00	0.00	0.00	0.00	0.00	-2.00	0.00	0.00	0.00	-2.00	0.00	0.00	0.00	0.00	-2.00	0.00	0.00	0.00	-2.00
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-3.00</b>	<b>-5.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-8.00</b>	<b>3.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3.00</b>	<b>0.00</b>	<b>-5.00</b>	<b>0.00</b>	<b>-5.00</b>

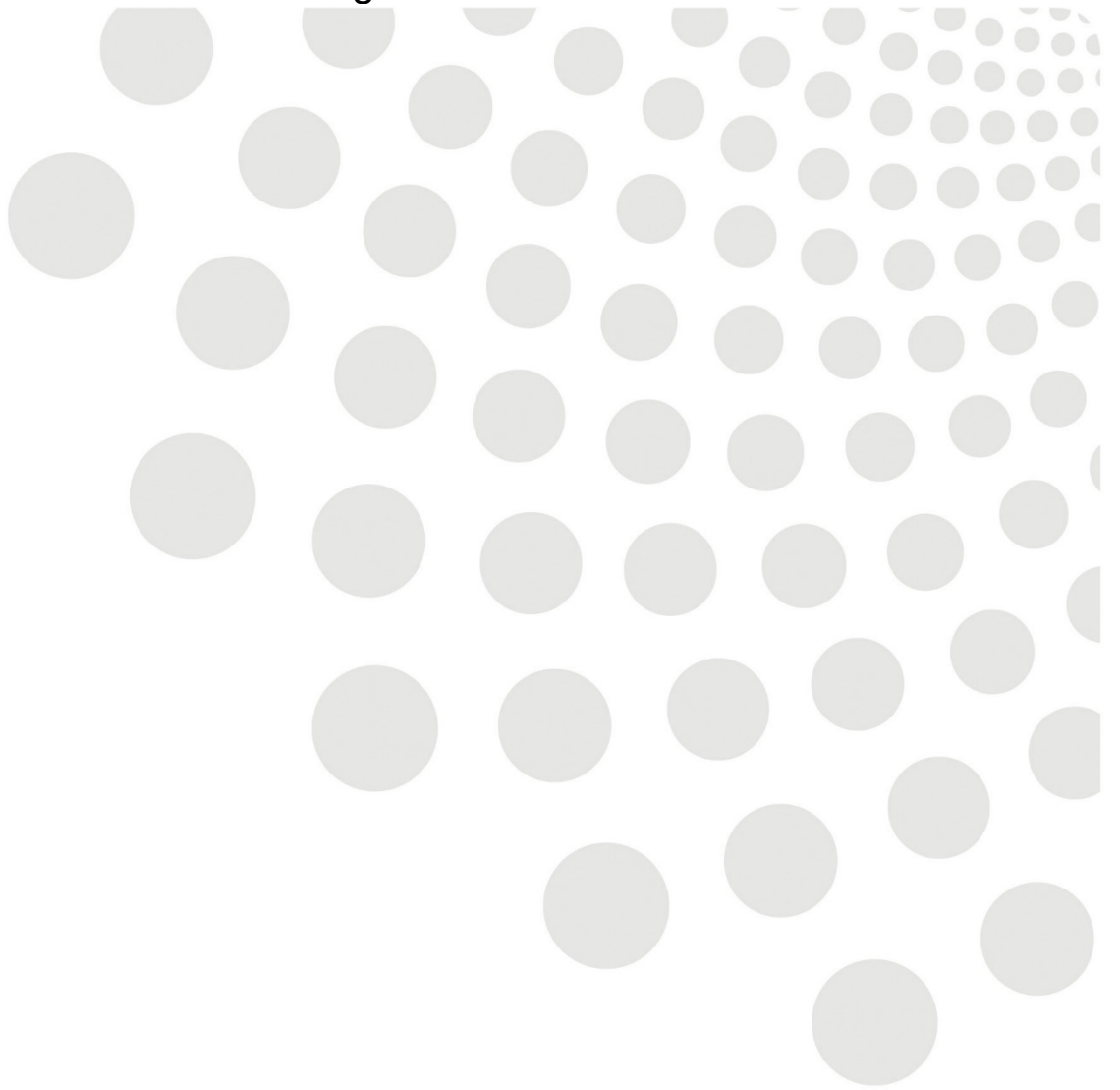


	Savings (£m)					FTE's				
	2019/20	2020/21	2021/22	2022/23	Total	2019/20	2020/21	2021/22	2022/23	Total
<b>Community Services</b>										
Highways	-0.655	-0.288	0.000	0.000	-0.943	2.00	-7.00	0.00	0.00	-5.00
Public and Integrated Transport	0.000	-0.250	-0.100	-0.100	-0.450	0.00	0.00	0.00	0.00	0.00
Waste Services	-0.943	0.000	0.000	0.000	-0.943	2.00	0.00	0.00	0.00	2.00
	<b>-1.598</b>	<b>-0.538</b>	<b>-0.100</b>	<b>-0.100</b>	<b>-2.336</b>	<b>4.00</b>	<b>-7.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-3.00</b>
<b>Economic Development and Planning</b>										
Economic Development	-0.050	0.000	0.000	0.000	-0.050	0.00	0.00	0.00	0.00	0.00
Planning and Environment	-0.120	0.000	0.000	0.000	-0.120	0.00	0.00	0.00	0.00	0.00
	<b>-0.170</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>-0.170</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Programmes and Project Management</b>										
Core Business Systems and Transformation	-0.189	-0.228	-0.033	-0.067	-0.517	4.00	-3.00	-1.00	-1.90	-9.90
Design and Construction	-0.162	0.000	0.000	0.000	-0.162	5.00	0.00	0.00	0.00	5.00
	<b>-0.351</b>	<b>-0.228</b>	<b>-0.033</b>	<b>-0.067</b>	<b>-0.679</b>	<b>1.00</b>	<b>-3.00</b>	<b>-1.00</b>	<b>-1.90</b>	<b>-4.90</b>

FTE's					FTE's					FTE's					FTE's				
2019/20	2020/21	2021/22	2022/23	Total	2019/20	2020/21	2021/22	2022/23	Total	2019/20	2020/21	2021/22	2022/23	Total	2019/20	2020/21	2021/22	2022/23	Total
0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	-7.00	0.00	0.00	<b>-7.00</b>	2.00	0.00	0.00	0.00	<b>2.00</b>	2.00	-7.00	0.00	0.00	<b>-5.00</b>
0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>
0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	2.00	0.00	0.00	0.00	<b>2.00</b>	2.00	0.00	0.00	0.00	<b>2.00</b>
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-7.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-7.00</b>	<b>4.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.00</b>	<b>4.00</b>	<b>-7.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-3.00</b>
0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>
0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
0.00	0.00	0.00	0.00	<b>0.00</b>	-4.00	-3.00	-1.00	-1.90	<b>-9.90</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	-4.00	-3.00	-1.00	-1.90	<b>-9.90</b>
0.00	0.00	0.00	0.00	<b>0.00</b>	-1.00	0.00	0.00	0.00	<b>-1.00</b>	6.00	0.00	0.00	0.00	<b>6.00</b>	5.00	0.00	0.00	0.00	<b>5.00</b>
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-5.00</b>	<b>-3.00</b>	<b>-1.00</b>	<b>-1.90</b>	<b>-10.90</b>	<b>6.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.00</b>	<b>1.00</b>	<b>-3.00</b>	<b>-1.00</b>	<b>-1.90</b>	<b>-4.90</b>

	Savings (£m)					FTE's				
	2019/20	2020/21	2021/22	2022/23	Total	2019/20	2020/21	2021/22	2022/23	Total
<b>Corporate Services</b>										
Legal and Democratic Services (inc Coroners)	-0.108	-0.050	0.000	0.000	-0.158	0.00	0.00	0.00	0.00	0.00
Skills, Learning and Development	-0.170	0.000	0.000	0.000	-0.170	0.00	0.00	0.00	0.00	0.00
	<b>-0.278</b>	<b>-0.050</b>	<b>0.000</b>	<b>0.000</b>	<b>-0.328</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Finance Services</b>										
Exchequer Services	-0.089	0.000	0.000	0.000	-0.089	-1.00	0.00	0.00	0.00	-1.00
Corporate Finance	-0.270	0.000	0.000	0.000	-0.270	-1.00	0.00	0.00	0.00	-1.00
Financial Management (Operational)	-0.110	-0.037	0.000	0.000	-0.147	-3.00	0.00	0.00	0.00	-3.00
Financial Management (Development and Schools)	-0.286	0.000	0.000	0.000	-0.286	-2.00	0.00	0.00	0.00	-2.00
Procurement	-0.131	-0.044	0.000	0.000	-0.175	-7.00	0.00	0.00	0.00	-7.00
	<b>-0.886</b>	<b>-0.081</b>	<b>0.000</b>	<b>0.000</b>	<b>-0.967</b>	<b>-14.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-14.00</b>
<b>Property Services</b>										
Facilities Management	-0.011	-0.014	-0.114	-0.004	-0.143	9.00	11.00	20.00	3.00	43.00
Asset Management	-0.692	0.000	0.000	0.000	-0.692	0.00	0.00	0.00	0.00	0.00
	<b>-0.703</b>	<b>-0.014</b>	<b>-0.114</b>	<b>-0.004</b>	<b>-0.835</b>	<b>9.00</b>	<b>11.00</b>	<b>20.00</b>	<b>3.00</b>	<b>43.00</b>
<b>Chief Executive Services</b>										
Service Communications	-0.033	-0.008	-0.002	-0.002	-0.045	0.00	0.00	0.00	0.00	0.00
	<b>-0.033</b>	<b>-0.008</b>	<b>-0.002</b>	<b>-0.002</b>	<b>-0.045</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>	<b>-13.892</b>	<b>-9.848</b>	<b>-2.810</b>	<b>-0.291</b>	<b>-26.841</b>	<b>46.50</b>	<b>-8.00</b>	<b>-8.00</b>	<b>0.10</b>	<b>30.60</b>

Temporary Investment					Permanent Reductions					Permanent Increases					Total				
FTE's					FTE's					FTE's					FTE's				
2019/20	2020/21	2021/22	2022/23	Total	2019/20	2020/21	2021/22	2022/23	Total	2019/20	2020/21	2021/22	2022/23	Total	2019/20	2020/21	2021/22	2022/23	Total
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
0.00	0.00	0.00	0.00	0.00	-1.00	0.00	0.00	0.00	-1.00	0.00	0.00	0.00	0.00	0.00	0.00	-1.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	-1.00	0.00	0.00	0.00	-1.00	0.00	0.00	0.00	0.00	0.00	0.00	-1.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	-3.00	0.00	0.00	0.00	-3.00	0.00	0.00	0.00	0.00	0.00	0.00	-3.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	-4.00	0.00	0.00	0.00	-4.00	2.00	0.00	0.00	0.00	2.00	-2.00	0.00	0.00	0.00	-2.00
0.00	0.00	0.00	0.00	0.00	-7.00	0.00	0.00	0.00	-7.00	0.00	0.00	0.00	0.00	0.00	0.00	-7.00	0.00	0.00	0.00
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-16.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-16.00</b>	<b>2.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.00</b>	<b>-14.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-14.00</b>
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9.00	11.00	20.00	3.00	43.00	9.00	11.00	20.00	3.00	43.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9.00</b>	<b>11.00</b>	<b>20.00</b>	<b>3.00</b>	<b>43.00</b>	<b>9.00</b>	<b>11.00</b>	<b>20.00</b>	<b>3.00</b>	<b>43.00</b>
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>31.00</b>	<b>-3.00</b>	<b>-27.00</b>	<b>-1.00</b>	<b>0.00</b>	<b>-27.00</b>	<b>-16.00</b>	<b>-1.00</b>	<b>-1.90</b>	<b>-45.90</b>	<b>42.50</b>	<b>11.00</b>	<b>20.00</b>	<b>3.00</b>	<b>76.50</b>	<b>46.50</b>	<b>-8.00</b>	<b>-8.00</b>	<b>0.10</b>	<b>30.60</b>



## **Service Challenge Savings (Consultation Required)**

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**Reference – SC001**

<b>Service Name:</b>		Waste – Household Waste Recycling Centre service provision		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£8.064m		
<b>Income 2018/19</b>		£0.600m		
<b>Net budget 2018/19</b>		£7.464m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.367	-0.367	0.000	0.000	-0.734
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
TBC	0.00	0.00	0.00	TBC
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	<p>To change Household Waste Recycling Centre (HWRC) opening hours to 9:00 – 17:00 throughout the year.</p> <p>To reduce the opening of the following HWRCs to 5 days per week:</p> <ul style="list-style-type: none"> <li>• Longridge</li> <li>• Barnoldswick</li> <li>• Clitheroe</li> <li>• Burscough</li> <li>• Skelmersdale</li> <li>• Carnforth</li> <li>• Haslingden</li> </ul>			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>Reduced opening times and days at Household Waste Recycling Centres (HWRCs).</p> <p>There is potential for staff redundancies within the HWRC service.</p>			
<b>Actions needed to deliver the service change</b>	Restructuring of the HWRC service staff to accommodate changes in service delivery and provide most efficient staffing provision.			

	<p>The saving is based upon minor changes to staffing levels at four HWRCs to provide consistent levels of staff provision across the service.</p> <p>In addition, as part of the restructure all posts within the service will be on county council terms and conditions removing the legacy of differing terms and conditions across the service.</p>
<p><b>Is external consultation required</b></p>	<p>Yes</p>
<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<p>These proposals could result in slightly longer waiting times but this is minimal.</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>An equality analysis is required and will be informed by the results of the public consultation and provided to Cabinet along with the consultation report.</p>

**Reference – SC011**

<b>Service Name:</b>	Public Transport - School Transport			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£7.860m			
<b>Income 2018/19</b>	£3.512m			
<b>Net budget 2018/19</b>	£4.348m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.050	-0.050	0.000	-0.100
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	To agree to the removal of school bus services where no pupils statutorily entitled to free school transport have travelled on a contracted school bus for 2 years and where season ticket revenue does not cover the cost of the contract.			
<b>Impact upon service, other LCC services, service users and external partners</b>	The proposal will impact upon school age children travelling to school by bus. The proposal is likely to have a greater impact on children living in rural and low population areas where traveling numbers are low. It may also impact upon school numbers in certain schools if parents/guardians make school placement choices based on existing school and public bus transport availability.			
<b>Actions needed to deliver the service change</b>	<p>The removal of bus services will only take place where there has been no statutory entitlement on the route for 2 years.</p> <p>Schools and parents will be informed of the removal of the service 12 months in advance to allow time for adjustments to be made. The earliest a service will cease is Sept 2020.</p>			
<b>Is external consultation required</b>	Yes			

<b>What are the risks associated with this change and how will they be mitigated</b>	Services may have to be reintroduced if new statutory scholars start attending schools where the service has been removed. This would be mitigated by focusing on those route where there has been no statutory scholar for at least 2 years.
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	An equality analysis is required and will be informed by the results of the public consultation and provided to Cabinet along with the consultation report.



**Reference – SC023**

<b>Service Name:</b>	Highways County Wide Services – Street Lighting – Part Night lighting			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2020/21			
<b>Gross budget 2018/19</b>	£4.704m			
<b>Income 2018/19</b>	£0.000m			
<b>Net budget 2018/19</b>	£4.704m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.037	0.000	0.000	-0.037
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Introduce part night lighting on 18,000 street lighting units in residential streets during the LED lamp replacement programme.			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>There would be no installation cost for this as it could be done under the approved Salix funded LED replacement scheme</p> <p>The energy savings are based on lighting units being switched off between midnight and 5 am.</p>			
<b>Actions needed to deliver the service change</b>	Take the opportunity that the replacement programme provides to fit control units configured for part night lighting. It is not otherwise cost effective.			
<b>Is external consultation required</b>	Yes			
<b>What are the risks associated with this change and how will they be mitigated</b>	There are around 100,000 lighting units in residential streets so most of the network would remain unaffected by this proposal. It is likely that the proposal will be seen as inequitable in this regard. This could be mitigated cost effectively over the ten year maintenance cycle during which all lighting columns will be visited. Control units configured for part night lighting could be installed in all such units achieving further energy savings.			

	<p>There is a risk of public dissatisfaction with revised lighting levels and an increase in complaints.</p> <p>Not all locations may be suitable for part night lighting potentially leading to complaints of inequity.</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>An equality analysis is required and will be informed by the results of the public consultation and provided to Cabinet along with the consultation report.</p>

**Reference – SC119**

<b>Service Name:</b>		Special Educational Needs and Disability Service (SEND) – Lancashire Breaktime		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£1.040m		
<b>Income 2018/19</b>		£0.000m		
<b>Net budget 2018/19</b>		£1.040m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-1.040	0.000	0.000	0.000	-1.040
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>		Agree to remove the budget for provision of the Lancashire Breaktime Service.		
<b>Impact upon service, other LCC services, service users and external partners</b>		<ul style="list-style-type: none"> <li>• Parent/carers receiving a short-break through Lancashire Breaktime may no longer be able to receive this break. Children/young people who are involved in a positive group activity from Lancashire Breaktime whilst parent/carers receive a short-break may no longer be able to access this service. Parent/carers may therefore request a statutory assessment under Section 17, Children Act 1989 to receive this support through a Child's Plan, requiring the case to be assessed by statutory social work teams. Following assessment, the needs of some children and young people and their parents/carers may be required to be met through an assessed package of support (for example, commissioned services, Direct Payments). This may require a Child in Need Plan, an allocated worker and ongoing involvement (e.g. reviews, visits).</li> <li>• Lancashire Breaktime offers group activities which currently are difficult to provide through assessed packages of support (e.g. Direct Payments packages of support). There may be reduced opportunities for children/young people to access provision appropriate for their needs.</li> </ul>		

	<ul style="list-style-type: none"> <li>• A reduction in Lancashire Breaktime would reduce the resources available to education providers, health services and early help services to signpost parent/carers to for support.</li> <li>• There is a potential impact on Lancashire Breaktime commissioned providers. The proposal may result in staffing reductions or a reduction of hours.</li> </ul>
<b>Actions needed to deliver the service change</b>	<p>Development and communication of information to parents and carers about provision that may be accessed by children and young people without an assessed need.</p> <p>Consultation with parents, carers and young people.</p> <p>Development of final proposals for decision.</p>
<b>Is external consultation required</b>	<p>Yes</p>
<b>What are the risks associated with this change and how will they be mitigated</b>	<ul style="list-style-type: none"> <li>• Capacity of statutory services to undertake any requests for assessment which result as a reduction of Lancashire Breaktime provision. There is some mitigation as caseloads in Children's Social Care are considered manageable currently. Once assessments are completed, cases could be held by Family Support Workers. The numbers of children and young people requiring assessment and subsequently receiving assessed packages of support would be monitored and consideration given to the impact of this on the service capacity.</li> <li>• Financial impact – Possible increase in Section 17 budget spend. The cost would be informed by assessment and we would monitor the numbers of these from families who previously received Lancashire Breaktime.</li> <li>• Local Area SEND Inspection impact – Parent/carer dissatisfaction and potential negative inspection view. We will consult with parents, carers and young people and communicate the proposed change and reasons for this. There will be some mitigation through the development of clear information to parents and carers, through the Lancashire Local Offer, of potential alternative provision that may be accessed by children and young people without an assessed need.</li> <li>• Reputational risk – Parental representation regarding the reduction of Lancashire Breaktime on social media and through complaint as well as potential risk of escalation to national support organisations. We will consult with parents, carers and young people and communicate the proposed change and reasons for this.</li> <li>• More broadly, we will build on the improvements and investments made in SEND services since the</li> </ul>

	inspection to ensure that children and young people with SEND are able to access support appropriate to their needs
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	An equality analysis is required and will be informed by the results of the public consultation and provided to Cabinet along with the consultation report.

**Reference – SC400**

<b>Service Name:</b>	Estates – Traveller Sites			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20 to undertake consultation, to consider the options, make a recommendation, and action the final decision.			
<b>Gross budget 2018/19</b>	£0.131m			
<b>Income 2018/19</b>	£0.000m			
<b>Net budget 2018/19</b>	£0.131m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.131	0.000	0.000	-0.131m
<b>(This does not include any potential future capital expenditure)</b>				
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	<p>Lancashire County Council set a budget of £0.131m each year to maintain three traveller sites across the County. As there is no statutory requirement to retain these sites this has been identified as a potential saving.</p> <p>To deliver this saving a decision is required to begin a consultation exercise with the proposal to declare the three LCC owned traveller sites surplus to LCC needs.</p> <p>A further decision will follow the consultation process and seeking interested parties views for consideration. This will make recommendations on how the savings could be achieved and could result in a decision such as to retain or put the sites up for sale. It should be noted that an option to sell could contain the condition that the sites are to be retained as traveller sites.</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>Impact on Service Users (occupiers of the sites)  District Councils (including staff on site) who manage the running of the sites  Other agencies</p>			

<p><b>Actions needed to deliver the service change</b></p>	<p>An initial decision, to undertake a consultation with the proposal to declare the sites surplus to LCC needs.</p> <p>Undertake a consultation exercise to determine options and views.</p> <p>To Review the findings, and options, and make a recommendation on option/s to achieve the savings.</p> <p>A final decision on preferred option, will be required</p> <p>Implement decision.</p>
<p><b>Is external consultation required</b></p>	<p>Yes</p>
<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<p>The decision to undertake this consultation, will start the process.</p> <p>Options available are to be identified following consultation, but could include sale.</p> <p>Potential legal challenges.</p> <p>Community relations</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>An equality analysis is required and will be informed by the results of the public consultation and provided to Cabinet along with the consultation report.</p>

**Reference – SC514**

<b>Service Name:</b>		Older People Care Services – Day Services		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£2.145m		
<b>Income 2018/19</b>		£2.577m		
<b>Net budget 2018/19</b>		£0.432m		
<i>*This budget represents the day service of older people in-house service only</i>				
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.040	-0.039	0.000	0.000	-0.079
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	To equalise the charges levied on individuals for attending the county council's own older people's day services (and associated transport costs) so that self-funders pay the same rate that statutory agencies pay for the places they commission.			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>Charges to self-funders will increase by 15% which is a significant above inflation increase.</p> <p>Approximately 300 older people who self-fund use the services in any given quarter.</p> <p>This will increase the income for the service and better reflect the true cost of running day services.</p> <p>Some changes to internal finance systems may be needed.</p> <p>Communications with those likely to be affected will need to be clear and timely.</p>			
<b>Actions needed to deliver the service change</b>	This will need consultation and communication with all affected people who currently use the service or are considering doing so before April 2019 so they can			



	<p>express their views and make alternative arrangements if they so wish.</p> <p>System changes.</p> <p>New marketing materials to be developed.</p> <p>Reassessments may be needed for anyone deciding they no longer wish to use the day service due to increased costs.</p>
<b>Is external consultation required</b>	Yes
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>Lancashire County Council's own day services operate in a competitive market and so older people and families may choose to go elsewhere if they prefer services in the independent sector which may reduce income.</p> <p>Reassessments may be needed for anyone deciding they no longer wish to use the day service due to increased costs.</p> <p>If consultation raises significant concerns about the impact of the increase in rates there would be the alternative of phasing in the increase for existing service users over a two or three year period. However older people using the day services for the first time from April 2019 could still be charged the new rate</p>
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	An equality analysis is required and will be informed by the results of the public consultation and provided to Cabinet along with the consultation report.

**Reference – SC608**

<b>Service Name:</b>		Welfare Rights Service		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£0.670m		
<b>Income 2018/19</b>		£0.000m		
<b>Net budget 2018/19</b>		£0.670m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.380	0.000	0.000	-0.380
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	-12.20	0.00	0.00	-12.20
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Agree to limit the provision of welfare benefit advice and guidance to complex cases only			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>The likely impact:</p> <ul style="list-style-type: none"> <li>• The Welfare Rights Service will have a reduced capacity to address the lower level benefit enquiries from citizens, partners and other LCC services and will not be able to support as many vulnerable people, at a time when we expect that the need for that support may grow.</li> <li>• There could be an escalation of level of need which may increase pressure on other public and LCC services</li> <li>• There may be increased demand for advice and support from the voluntary, community and faith sector which, in turn, may not have the volunteer skills or capacity to cope.</li> <li>• There will be a reduction in the Welfare Rights Service team (potentially 10.5 fte posts) and there will be an impact on the LCC Customer Access Service (1.7fte posts) as a result of reducing the telephony support provided for the Welfare Rights Service.</li> <li>• The costs of unclaimed welfare benefit used to support care packages may need to be picked up</li> </ul>			

	<p>by LCC and could lead to increased costs and demand on statutory services.</p> <ul style="list-style-type: none"> <li>• Lancashire economy – potential reduced benefit income and spend in local economy</li> </ul>
<b>Actions needed to deliver the service change</b>	<ul style="list-style-type: none"> <li>• Develop and undertake consultation</li> <li>• Manage the transition and staff reduction</li> <li>• Prepare other services (internal and external to LCC) for the implementation of the change</li> <li>• Manage communications / reputation</li> </ul>
<b>Is external consultation required</b>	Yes

**What are the risks associated with this change and how will they be mitigated**

<b>Risks</b>	<b>Mitigation</b>
<p>There is a risk that vulnerable citizens will have to wait for the service or not challenge or succeed in their challenge to receive their correct welfare rights entitlements.</p> <p>Reduced capacity to provide generic welfare benefits advice and represent cases at tribunals.</p>	<p>Remaining capacity deployed to target a proportion of the most complex cases through tribunal support and representation, working in conjunction with external services such as Citizen Advice Bureaux, at a neighbourhood level; and also align more closely with similar internal LCC services.</p>
<p>There is a risk that vulnerable citizens may not have the competency or digital accessibility and technology to be able to challenge their welfare rights application or entitlement concerns without support.</p>	<p>Mitigation has yet to be fully understood and developed.</p>
<p>Reducing capacity and technical support in relation to financial assessment (Adult social care) and special guardianship orders (Children's social care), at a time when complexity is increasing e.g. in relation to Universal Credit.</p>	<p>Review skills and capacity to deliver technical support across a number of similar services within LCC.</p>
<p>As Customer Access capacity for telephony support reduces, customers find access points to other LCC services to require this information.</p>	<p>Fully developed project plan to implement changes with customers effectively and consistently signposted to alternative services, including signposting to online guidance.</p>
<p>Increased demand on LCC – Adult / Children's Social Care and on health services more generally.</p>	<p>Explore potential for working in neighbourhoods to develop community connectors and social prescribing with partners.</p>

<p>Inequalities in how long people live and poor health will increase, especially for those from more deprived communities.</p>	<p>Utilise the remaining Citizen's Advice Bureaux (volunteers) / VCFS / district council / online benefits advice offer.</p>
<p>Savings not delivered as profiled – lack of service capacity to meet multiple consultation, analysis and Cabinet meeting timelines.</p>	<p>Utilise corporate capacity for legal, consultation and equality audit support.</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>An equality analysis is required and will be informed by the results of the public consultation and provided to Cabinet along with the consultation report.</p>

**Reference – SC609**

<b>Service Name:</b>	Health Improvement Services			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£20.300m			
<b>Income 2018/19</b>	£0.000m			
<b>Net budget 2018/19</b>	£20.300m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.337	-1.838	0.000	0.000	-2.175
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.500	0.000	0.000	0.000	0.500
<b>Decisions needed to deliver the budgeted savings</b>	<p>Cabinet to approve consultation on service remodelling (drug, alcohol, tobacco and healthy weight services) and reduced service offer.</p> <p>Approve additional investment of £0.500m to undertake work in relation to the service redesign.</p> <p>Reducing the funding resource whilst simultaneously making them more efficient through redesigning the service</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>The likely impact of service remodelling:</p> <ul style="list-style-type: none"> <li>• Service users will have a reduced access to drug and alcohol rehabilitation services (estimated 100 less placements per year);</li> <li>• Community substance misuse services likely to see an increased demand and burden on their service</li> <li>• Service Users – the priority focus will be on the most vulnerable people, for example those with learning disabilities and mental ill health, will mean some people will find it more difficult to access and may have to wait longer to receive the services</li> <li>• Service users may be less likely to successfully complete treatment and more likely to re-present</li> </ul>			

	<ul style="list-style-type: none"> <li>• The reduced offer for smoking cessation services may result in an increase in smoking rates and demand for clinical services.</li> <li>• People will no longer be able to directly access healthy weight services to address their obesity and physical activity needs to improve their health.</li> <li>• May increase demand on social care, criminal justice, NHS services and Voluntary, Community and Faith Sector services.</li> <li>• Renegotiation of existing provision will have an impact on those who currently provide the services and those people who work for them.</li> </ul>
<p><b>Actions needed to deliver the service change</b></p>	<ul style="list-style-type: none"> <li>• Develop approach to service remodelling and engage with potential bidders / providers</li> <li>• Develop consultation approach</li> <li>• Confirm relevant policy changes, procurement options and service model</li> <li>• Notify providers of decision (potential for service of notice / service decommissioning / service commissioning and contract variation)</li> <li>• Manage communications / reputation</li> </ul>
<p><b>Is external consultation required</b></p>	<p>Yes</p>
<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	
<p><b>Risks</b></p> <p>Reduced access to drug / alcohol / tobacco support services to manage / improve health outcomes associated with addiction</p>	<p><b>Mitigation</b></p> <p>Repurpose some of remaining budget provision to:</p> <ul style="list-style-type: none"> <li>• Enable community substance misuse treatment services and recovery support to provide a clear pathway to sustained recovery led by lived experience;</li> <li>• Enable better use of current physical, environmental and partner assets to increase physical activity;</li> <li>• Maximise the potential of digital technology to support healthy lifestyles</li> </ul> <p>Utilise the voluntary, community and faith sector offer along with better alignment with Lancashire Adult Learning and services offered via our libraries that relate to prescribing social activities</p>

Cease access to targeted healthy weight / physical activity support to manage / improve health outcomes associated with inactivity / overweight	Explore potential for neighbourhood working for community connectors, social prescribing with partners
Inequalities in how long people live and poor health will increase, especially for those from more deprived communities.	
Potential increased demand on Children's and Adult Social Care and on health services more generally	
Savings not delivered as profiled – lack of service capacity to meet multiple consultation. analysis and Cabinet meeting timelines	Utilise corporate capacity for legal, procurement, consultation and equality assessment support
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>An equality analysis is required and will be informed by the results of the public consultation and provided to Cabinet along with the consultation report.</p>

**Reference – SC610**

<b>Service Name:</b>		Lancashire Wellbeing Service (LWS)		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£2.660m		
<b>Income 2018/19</b>		£0.000m		
<b>Net budget 2018/19</b>		£2.660m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.503	-1.507	0.000	0.000	-2.010
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Approve the cessation of the Lancashire Wellbeing Service.			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>The likely impact of service cessation:</p> <ul style="list-style-type: none"> <li>• Possible increased demand on statutory adult social care (which has been accounted for within the saving value)</li> <li>• Service users – Although the original contract required 20,000 individuals to be supported, approx. 11,000 service users per year access the service for a range of support interventions and or onward referral.</li> <li>• Health services / primary care – Increased demand on clinical services if non-medical support is withdrawn from the system, and need escalates.</li> <li>• Potential increased demand on voluntary community and faith sector</li> </ul>			
<b>Actions needed to deliver the service change</b>	<ul style="list-style-type: none"> <li>• Develop consultation approach</li> <li>• Notify provider of decision (potential for service of notice / service decommissioning)</li> <li>• Manage communications / reputation</li> <li>• Neighbourhood working for community connectors, social prescribing with partners</li> </ul>			
<b>Is external consultation required</b>	Yes			

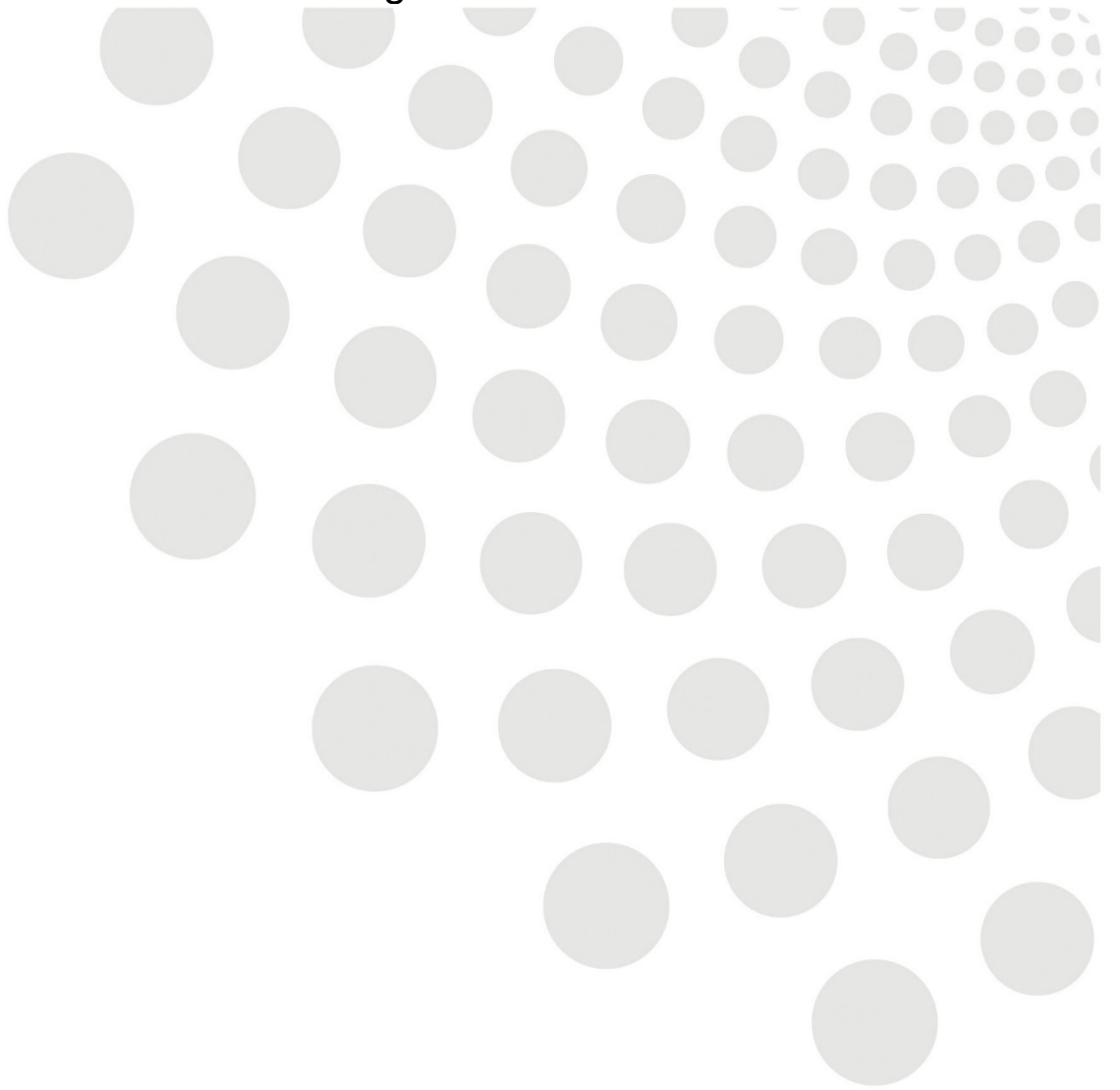


<b>What are the risks associated with this change and how will they be mitigated</b>	
<b>Risks</b>	<b>Mitigation</b>
Impact on vulnerable citizens in terms of social isolation, debt, low level mental and physical health	Utilise the wider Voluntary Community and Faith Sector (VCFS) offer - Neighbourhood working for community connectors, social prescribing with partners
Further erosion of VCFS offer in Lancashire	
Increased demand on Adult Social Care and on health services more generally and on Adult Social Care and on health services more generally	Clinical Commissioning Group (CCG) investment in similar services in parts of county (Fylde and East Lancashire)
Inequalities in how long people live and poor health will increase, especially for those from more deprived communities.	
Savings not delivered as profiled – lack of service capacity to meet multiple consultation, analysis and Cabinet meeting timelines	Current mental health services and primary care provision
Utilise corporate capacity for legal, procurement, consultation and equality audit support	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	An equality analysis is required and will be informed by the results of the public consultation and provided to Cabinet along with the consultation report.

**Reference – SC611**

<b>Service Name:</b>		Home Improvement Services		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£0.880m		
<b>Income 2018/19</b>		£0.000m		
<b>Net budget 2018/19</b>		£0.880m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.220	-0.660	0.000	0.000	-0.880
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Approve the cessation of the Integrated Home Improvement Service Contracts held by the authority.			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>The likely impact of service cessation:</p> <ul style="list-style-type: none"> <li>• Service users (predominantly people with long term conditions and people with disabilities) may not have access to other support to assist with and oversee maintenance, repair and improvement of their properties, housing options advice, income maximisation or have access to a reliable handypersons service.</li> <li>• Capacity and viability of home improvement agencies for undertaking case finding of eligible and vulnerable residents, and trialling the delivery of trusted assessor programme may be compromised.</li> <li>• This service supports the delivery of non-medical support for falls prevention and minor adaptations to aid independent living. Cessation of service might lead to increased demand on health and social care services.</li> </ul>			
<b>Actions needed to deliver the service change</b>	<ul style="list-style-type: none"> <li>• Develop consultation approach</li> <li>• Notify providers of decision (potential for service of notice and service decommissioning / recommissioning with narrower scope in relation to minor adaptations)</li> </ul>			

	<ul style="list-style-type: none"> <li>• Manage communications / reputation</li> </ul>
<b>Is external consultation required</b>	Yes
<b>What are the risks associated with this change and how will they be mitigated</b>	
<b>Risks</b>	<b>Mitigation</b>
<p>Increased demand on Adult Social Care and on health services more generally, particularly in relation to falls in the home</p> <p>Inequalities in how long people live and poor health will increase, especially for those from more deprived communities.</p>	<p>Would need to remodel delivery of statutory minor adaptations by Adults Social Care</p> <p>Work with district councils to consider whether the core service could be funded through Disabled Facility Grant allocations (may vary by district). This grant is likely to increase following the recent budget statement by the chancellor.</p> <p>Consider retaining an element of core funding to facilitate delivery of statutory minor adaptations work</p>
Savings not delivered as profiled – lack of service capacity to meet multiple consultation, analysis and Cabinet meeting timelines	Utilise corporate capacity for legal, consultation and Equality audit support
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	An equality analysis is required and will be informed by the results of the public consultation and provided to Cabinet along with the consultation report.



## **Service Challenge Savings (Consultation not required)**

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**Reference – SC002**

<b>Service Name:</b>	Waste – Reduce non-recyclable waste disposal at HWRCs			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£8.064m			
<b>Income 2018/19</b>	£0.600m			
<b>Net budget 2018/19</b>	£7.464m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.250	0.000	0.000	0.000	-0.250
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Agree measures to reduce non-recyclable waste disposal at Household Waste Recycling Centres.			
<b>Impact upon service, other LCC services, service users and external partners</b>	The saving will be delivered through changes in operations at Household Waste Recycling Centres (HWRCs) in order to ensure recyclable waste is prevented from being deposited in the non-recyclable waste containers. This change may be noticeable to service users as it will result in increased scrutiny and separation of the wastes being delivered. There is potential that on some occasions customers may encounter minor delays in depositing their rubbish. Facilities may appear more untidy at busy times as separated items are gathered prior to storage.			
<b>Actions needed to deliver the service change</b>	<p>Changes to operations at HWRCs to reduce open accessibility to non-recyclable containers for members of the public.</p> <p>Increased engagement between HWRC staff and customers and greater promotion of waste separation.</p> <p>Staff will be encouraged to actively open bags, boxes or other containers containing waste in order to retrieve recyclable materials.</p>			

	Operations will be planned on a site by site basis to take into account the general layout, size and usage of each facility.	
<b>Is external consultation required</b>	No	
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>Reducing the amount of non-recyclable waste may not be achieved in sufficient quantities although analysis of materials deposited in non-recyclable containers indicate that the required levels can be achieved. Delivery of this saving will be difficult to measure as the amount of non-recyclable waste collected varies each year</p> <p>Some customers may perceive the active sorting of their rubbish as an invasion of privacy. In general it is anticipated that customers will be encouraged to separate wastes themselves but where they refuse to do so staff will be trained on recovery of recyclable materials in this event. Procedures will be put in place to allow the disposal of personal or sensitive items without intrusion.</p> <p>It should be noted that the outcome of the separate HWRC budget saving has the potential to impact delivery of this saving.</p>	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required	



**Reference – SC012**

<b>Service Name:</b>	Integrated Transport Services - Provision of Bus Passes for Secondary Excluded, wherever possible			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£23.982m			
<b>Income 2018/19</b>	£2.658m			
<b>Net budget 2018/19</b>	£21.324m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.400	0.000	0.000	-0.400
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	To cease the practice of procuring taxi transport as the first choice option for secondary excluded school pupils, and provide a bus pass in its place.			
<b>Impact upon service, other LCC services, service users and external partners</b>	The proposal will affect the excluded pupils who otherwise would have received taxi transport. They would instead be expected to travel by bus. This may impact upon attendance and punctuality. It may also impact upon the Pupil Referral Units with increased absenteeism and late arrivals. There may also be an impact on bus operators and other passengers on buses should an increase in anti-social behaviour occur.			
<b>Actions needed to deliver the service change</b>	Development of an assessment procedure to determine suitability to travel by bus or justification for taxi transport.  Engagement with Pupil Referral Units  Pupils/families/Head teachers informed of change.			
<b>Is external consultation required</b>	No			

<b>What are the risks associated with this change and how will they be mitigated</b>	Risk that pupils are unable or unwilling to travel by bus and therefore do not attend thereby disrupting their education or disrupt schools because of late arrival and bus services because of poor behaviour. This can be mitigated through use of an assessment procedure.
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required

**Reference – SC013**

<b>Service Name:</b>	Bus Shelter Advertising			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£0.000m			
<b>Income 2018/19</b>	£0.000m			
<b>Net budget 2018/19</b>	£0.000m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.050	0.000	0.000	0.000	-0.050
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	To agree to sell advertising space on appropriate bus shelters and develop other opportunities at bus stations in conjunction with other county council advertising initiatives.			
<b>Impact upon service, other LCC services, service users and external partners</b>	Management and administration resources will be required to establish and maintain a client base.			
<b>Actions needed to deliver the service change</b>	Collaboration within the county council to develop a strategy and implementation plan for commercial advertising			
<b>Is external consultation required</b>	No			
<b>What are the risks associated with this change and how will they be mitigated</b>	There is a risk that demand for advertising will fluctuate.			
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required			

**Reference – SC029**

<b>Service Name:</b>	Highways – Gully Emptying			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2020/21			
<b>Gross budget 2018/19</b>	£1.547m			
<b>Income 2018/19</b>	£0.000m			
<b>Net budget 2018/19</b>	£1.547m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.283	0.000	0.000	-0.283
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	3.00	0.00	0.00	3.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	<p>To procure an external contract for routine and reactive gully cleansing.</p> <p>Approve the establishment and investment of 3.0 fte to support the implementation of this saving proposal. The saving of £0.283m is net of the additional investment required.</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>The service delivers the programme of works through in house delivery with directly employed operatives and 12 county council owned vehicles. It is supplemented by contractors when required.</p> <p>The service routinely cleanses 105,000 gullies per year and undertakes reactive cleaning and jetting works all within a budget of £1.547m.</p> <p>The service experiences a high turnover of staff, recruitment has become more difficult leading to driver shortages and the consequent use of contractors who have their own vehicles which means that our vehicles under-utilised.</p> <p>County council vehicles are ageing and require increasing maintenance or replacement.</p>			

	It is proposed to employ a contractor to undertake routine gully cleansing works, with six vehicles being retained to support the in house delivery of reactive work. The proposals include the establishment of 3 posts to provide supervision of the contract.
<b>Actions needed to deliver the service change</b>	Through a competitive tendering process, establish a framework contract for the delivery of routine gully cleansing.
<b>Is external consultation required</b>	No
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>There is no proposed change to current service levels.</p> <p>Contractor performance will be monitored to ensure service standards are met.</p> <p>The contractor will be required to provide records in a format consistent with the county council's asset management system</p>
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required

**Reference – SC034**

<b>Service Name:</b>	Highways Network Regulation (Parking – On street pay and display)			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£2.105m			
<b>Income 2018/19</b>	£2.675m			
<b>Net budget 2018/19</b>	-£0.570m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.100	-0.085	0.000	-0.185
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.114	0.098	0.000	0.000	0.212
<b>Decisions needed to deliver the budgeted savings</b>	Increase the number of on street pay and display machines and chargeable parking spaces.			
<b>Impact upon service, other LCC services, service users and external partners</b>	Currently there is charging for parking on street in Lancaster and Preston only, which is confined to a relatively small number of streets in the city centres. The proposal is to expand provision in the city centres and implement on street charging for parking into other towns and localities in Lancashire. It is also proposed to review the level of on street parking charges.			
<b>Actions needed to deliver the service change</b>	<p>Charging can help to manage the availability of kerbside parking space where there is a demand for it. Initial areas for consideration in addition to Lancaster and Preston comprise Burnley, Lytham, Ormskirk, Clitheroe, Whalley, Carnforth, Colne, Padiham, Nelson, Chorley, Cleveleys, Poulton and Great Harwood. It is estimated that the number of pay and display ticket machines would increase from 27 to 80 and the number of chargeable parking spaces would increase from approximately 190 to approximately 560.</p> <p>The introduction of on street parking charges would require the promotion of a traffic regulation order which is</p>			

	subject to statutory public consultation and the consideration of any consequent objections.	
<b>Is external consultation required</b>	No	
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>Objection to the introduction of the on street charging is highly likely.</p> <p>The introduction of charges may lead to the migration of parking into adjacent streets which could be mitigated through the promotion of traffic regulations.</p>	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Yes - completed	

**Reference – SC035**

<b>Service Name:</b>	Highway Regulation (Bus Lane Enforcement)			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£2.105m			
<b>Income 2018/19</b>	£2.675m			
<b>Net budget 2018/19</b>	-£0.570m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-1.500*	-0.458	0.000	0.000	-1.958
<i>*Includes £1m for sites that are currently subject to camera enforcement</i>				
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
3.00	0.00	0.00	0.00	3.0
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.150	0.000	0.000	0.000	0.150
<b>Decisions needed to deliver the budgeted savings</b>	Approval to expand the use of camera enforcement to promote compliance with bus lane restrictions in Lancashire.			
<b>Impact upon service, other LCC services, service users and external partners</b>	Bus lanes have been introduced across Lancashire in order to promote the use of public transport through improving journey times and service reliability. Camera enforcement provides an effective means of securing compliance with bus lane restrictions, protecting the investment that has been made in them. 10 sites at which bus lanes exist or are approved for introduction have been identified for camera enforcement - Greyhound Bridge (2 sites), Morecambe Road (2 sites) and Parliament Street in Lancaster; Tithebarn Street, Fishergate/Cheapside and Fishergate Hill in Preston; and Whitebirk link and Accrington Town Centre in Hyndburn. .			
<b>Actions needed to deliver the service change</b>	<p>The introduction of bus lane enforcement cameras would require a review of signing and road marking requirements and the promotion of traffic regulation orders, which require statutory public consultation and the consideration of objections.</p> <p>Procurement and installation of cameras. Recruitment of staff to manage administrative processes.</p>			



<b>Is external consultation required</b>	No	
<b>What are the risks associated with this change and how will they be mitigated</b>	Objection to the introduction of bus lane camera enforcement is highly likely.	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required	

**Reference – SC048**

<b>Service Name:</b>	Highways Regulation (Street Works Permit Fees)			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£1.438m			
<b>Income 2018/19</b>	£3.242m			
<b>Net budget 2018/19</b>	-£1.804m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.380*	0.000	0.000	0.000	-0.380
<i>*Includes £0.300m for income already being recovered</i>				
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	To increase the fees associated with the Lancashire Permit Scheme for Street Works.			
<b>Impact upon service, other LCC services, service users and external partners</b>	The permit scheme fees have been reviewed as part of the 3 year statutory review period. This review has indicated that an increase could be applied to the fees. All the fees associated with the Lancashire Permit Scheme would still be below the maximum statutory level. An increase in the fees will mean higher charges to the utility companies which may be passed on to utility company customers.			
<b>Actions needed to deliver the service change</b>	2 month consultation with utility companies and the Department for Transport and the subsequent consideration of any objections.  Consultation required with utility companies and the Department for Transport.			
<b>Is external consultation required</b>	No			

<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<p>There is a risk of objections from utility companies which would be mitigated by the analysis of income and expenditure in the detailed review that has taken place.</p>	
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>Not required</p>	

**Reference – SC060**

<b>Service Name:</b>	Core Business Systems - Digital Contact by Consent			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£4.097m			
<b>Income 2018/19</b>	£0.302m			
<b>Net budget 2018/19</b>	£3.795m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.021	-0.019	-0.017	-0.057
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	<p>This would involve gaining customer consent to being contacted electronically and not via 'hard copy' mail. Once consent is given all correspondence will be via electronic/digital means.</p> <p>Cabinet decision to accept Digital Contact by Consent (links to development and adoption of Digital First Strategy).</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>This is a complex piece of work with multiple stakeholders and customers. However, it has the potential to generate significant savings year on year if executed correctly.</p> <ul style="list-style-type: none"> <li>• The approach will impact upon all services users accessing LCC services, with varying digital skill levels and varying access to digital mediums</li> <li>• Requirement for involvement of all services that communicate with services users via hard copy mail/letters as processes would need to be consistent across the organisation, that is to say, digital first.</li> <li>• Customer Access and Communications will be key in the management of messages surrounding this change of approach.</li> <li>• BTLS ICT technical advice required on the implementation of digital consent and development of</li> </ul>			

	<p>processes and system integration to ensure we capture a services users consent (or refusal) and ensure this follows them on their user journey throughout the organisation.</p> <ul style="list-style-type: none"> <li>• Longer term investment in the wider development of digital skills within the organisation and the wider community to support service users with the transition. This will link to the delivery of a Digital First Strategy and have implications for a range of services including Skills, Learning &amp; Development and Economic Development as well as external groups and partner organisations.</li> </ul>
<p><b>Actions needed to deliver the service change</b></p>	<ul style="list-style-type: none"> <li>• Adoption of the Digital First Strategy</li> <li>• A robust, integrated, technical infrastructure will need to be in place in order to capture consent and facilitate its movement throughout a service user journey when accessing multiple services.</li> <li>• Consistent support and adoption of the principle of digital consent across the organisation.</li> <li>• This would need to be managed as a distinct programme of work with underpinning work streams, representatives and leads from all areas of the organisation would be needed in order to understand all aspects of a service users' journey and how moving to digital would impact them</li> <li>• Working groups established with service users to fully understand how we can work together to put them at the heart of the digital journey.</li> <li>• An effective communications campaign to communicate the coming changes to service users</li> <li>• Investment may be required to support the delivery of Digital Contact by Consent.</li> </ul>
<p><b>Is external consultation required</b></p>	<p>No</p>
<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<ul style="list-style-type: none"> <li>• Potential reputational risk. The organisation may be seen to be making it unnecessarily difficult for service users to interact with us.</li> </ul> <p>Mitigate the risk by ensuring that informed consent is given and not assumed or forced. As processes improve and customers become more familiar with effective digital first transactions this risk will diminish.</p> <ul style="list-style-type: none"> <li>• This is an innovative and new way of working with a significant risk that we are unable to adequately capture consent for digital contact in a consistent way. If this cannot be done effectively it will mean service users receive contact via a range of mediums, even if they have already consented to</li> </ul>

	<p>digital contact. This would have both reputational and financial implications.</p> <p>This risk will be mitigated through the establishment of a programme of work to establish the issues to be resolved and an effective development and implementation programme with a phased delivery. The management of communication and customer expectations will also be key.</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>Yes - completed</p>

**Reference – SC074**

<b>Service Name:</b>		Customer Access Service – LCC Customer Journey		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20 .		
<b>Gross budget 2018/19</b>		£5.339m		
<b>Income 2018/19</b>		£2.205m		
<b>Net budget 2018/19</b>		£3.134m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.040	-0.030	-0.030	-0.020	-0.120
<i>*Please note, further savings of £0.020m will be made in 2023/24</i>				
<b>FTE implications:</b>				
<b>Temporary:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
3.00	-3.00	0.00	0.00	0.00
<b>Recurrent:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
-1.70	-1.30	-1.20	-0.90	-5.10
<i>*Please note, further savings of 0.80 fte will be made in 2023/24</i>				
<b>Investment Required (Invest to Save):</b>				
<b>Temporary:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.120	0.000	0.000	0.000	0.120
<b>Decisions needed to deliver the budgeted savings</b>	<ol style="list-style-type: none"> <li>1. Adoption of Digital First Strategy and commitment to support a digital channel shift</li> <li>2. A decision is required to update the LCC Customer Journey, and to implement, prioritise and maintain digital contact options across all services (links to Digital Contact by Consent SC0 60).</li> <li>3. Approval of funding to recruit a dedicated Change Manager and technical support function within Customer Access to implement necessary changes to support digital channel shift.</li> <li>4. A commitment to review, rationalise and reduce customer routes into the authority by delivering a single 'front door' provided by the Customer Access Service.</li> <li>5. A commitment to encourage and maximise self-service, manage the level of direct engagement with the customer and control quality.</li> </ol>			

	<p>6. A decision is required to bring responsibility for all customer interactive services to the Customer Access Service, including responsibility for on-line services, to allow better partnership working and improve the consistency and quality of the customer experience.</p>
<p><b>Impact upon service, other LCC services, service users and external partners</b></p>	<p>If this proposal is realised, there will be a change in the nature of enquiries Customer Access handle.</p> <ul style="list-style-type: none"> <li>• Customers seeking information will be enabled to access this directly online without needing to contact the authority through Customer Access or through other services.</li> <li>• Transactional interactions will have been moved online and automated maximising the opportunity for customers to self-serve 24/7.</li> <li>• Customer Access will focus on handling complex interactions that require specialist skills and can't be resolved through self-service or automated transactions. This may require fewer but longer interaction lengths.</li> <li>• Customer Access will work more closely with services across the organisation and with partners, developing stronger working relationships with all services with an aspect of customer interaction, delivering a consistent level of customer engagement</li> <li>• Through this, Customer Access will have full responsibility for the LCC customer journey and will realise improvements to reduce escalations and complaints through tracing the full journey to identify and correct errors.</li> <li>• The knowledge and data collected through this co-ordinated model of joint working between services and Customer Access will be capitalised on to enable the authority to better understand our customer and their experiences, to continually develop and improve the customer journey.</li> </ul> <p>In line with the new ways of working, LCC services will see changes in their customer interaction.</p> <ul style="list-style-type: none"> <li>• The bulk of information-seeking and transactional enquiries will be online, and services will see less of the trickle-through enquiries.</li> <li>• No services outside Customer Access will handle any first point of contact (FPOC) customer interactions.</li> </ul>



	<ul style="list-style-type: none"> <li>• Services will be responsible for keeping Customer Access updated on any changes to their service information so that the online information remains current.</li> <li>• Resource freed for other duties.</li> <li>• BTLS will be required to support all systems and tools required to support this new way of working.</li> </ul> <p>The customer will see an improvement in experience when interacting with LCC.</p> <ul style="list-style-type: none"> <li>• Information will be easily-available online at any time, increasing the convenience for customers by allowing them to interact with LCC services as they wish to fit around their other commitments.</li> <li>• Quick and easy to report things/apply for things/find updates on things online.</li> <li>• Can interact via new channels - social media and webchat.</li> <li>• Customer Access Service there for focussed help when needed - with shorter waiting times.</li> <li>• Customers have a better opinion of LCC.</li> </ul> <p>External partners will interact with LCC in a different way.</p> <ul style="list-style-type: none"> <li>• They will share information with us digitally.</li> <li>• They will support our channel shift and encourage customers to self-serve where appropriate.</li> </ul>
<p><b>Actions needed to deliver the service change</b></p>	<ol style="list-style-type: none"> <li>1. Finalisation and adoption of Digital First Strategy</li> <li>2. Thorough business analysis and data collection undertaken by Customer Access and any other services involved, including BTLS, to allow informed planning and delivery of the work required to implement the proposals.</li> <li>3. A SMART project plan for delivery should then be developed, using the information found in the business analysis work as a basis for timescales.</li> <li>4. Corporately, existing systems should be exploited to their full potential to support the LCC Customer Journey proposal, with planned programmes of work to digitise customer access to all services being prioritised and maximised to realise full potential.</li> </ol>

	5. Particular consideration to be given to Genesys Phase 2, Report It, Apply for It, and the Social Care Portal which could be expanded to include customers, allow two-way information sharing, and other non-social care services?
<b>Is external consultation required</b>	No
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>RISK: Lack of appetite within the organisation for the adoption or implementation of a Digital First Strategy, reducing the ability to deliver a digital channel shift for the organisation and the customer</p> <p>MITIGATION: Effective engagement with Cabinet and Corporate Management Team to determine leadership objectives and priorities. Development of appropriate digital priorities linking with Corporate Plan (when available) supported by an effective communication plan.</p> <p>RISK: Transforming the LCC customer journey in line with a Digital First Strategy has a risk that required tools and systems will not be available when needed to realise savings.</p> <p>MITIGATION: Development of challenging but realistic project delivery plans which take full account of realistic technology delivery timescales and resource availability across all services involved.</p> <p>RISK: Transforming the LCC customer journey in line with a Digital First Strategy carries a risk of not truly achieving channel shift, instead moving customer contacts into services and shifting the cost elsewhere rather than realising any savings.</p> <p>MITIGATION: The shift should be done in a robust manner to ensure true customer channel shift, automating processes that are currently manual, using appropriate tools that integrate to back office systems and truly avoid human involvement in handling the incoming interaction. This will avoid moving customer enquiries around the organisation.</p> <p>RISK: There is a risk that customers will still be able to access existing contact details and use them to bypass the digital journey. This will affect potential to realise savings.</p> <p>MITIGATION: Work with LCC's partner organisations to ensure that they support the changes and update their information in line with ours. The older contact channels will have auto responses added to direct customers to correct channel to further enforce this.</p>

	<p>RISK: There is a risk that LCC staff will not want to support this new way of working when it does not directly affect their service or budget. This will affect the ability of the organisation to achieve customer channel shift and realise savings.</p> <p>MITIGATION: LCC CMT to affect organisational culture change by leading on the digital channel shift and promoting a Digital First Strategy, holding all services responsible for their role in this.</p> <p>RISK: Transforming the LCC customer journey in line with a Digital First Strategy risks having a high setup cost as there are large scale changes required.</p> <p>MITIGATION: This is unavoidable, and any changes would need to be supported by a clear business case outlining costs and benefits.</p> <p>RISK: Transforming the LCC customer journey in line with a Digital First Strategy without a maintenance strategy risks online information becoming out of date and generating additional contacts in the future.</p> <p>MITIGATION: Responsibility for maintaining the quality of on-line information will be owned by CAS, supported by Communications and individual services. The delivery plan should include resource provision for regularly revising and updating online information. This should be corporately supported with services responsible for providing CAS with up to date and accurate information.</p> <p>RISK: Putting information online and encouraging our customers to interact with us digitally carries information security risks.</p> <p>MITIGATION: CAS to work with Information Governance and consider the GDPR when designing the customer journey, working with services to complete Privacy Impact Assessments for each new element.</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>Not required</p>

**Reference – SC075**

<b>Service Name:</b>		Customer Access Service – Reduce Opening Hours		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£5.339m		
<b>Income 2018/19</b>		£2.205m		
<b>Net budget 2018/19</b>		£3.134m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.070	0.000	0.000	0.000	-0.070
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
-3.00	0.00	0.00	0.00	-3.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Cabinet approval to reduce the opening hours of the Customer Access Service to align with County Hall cover. Reducing from 8am – 6pm to 8am – 5pm.			
<b>Impact upon service, other LCC services, service users and external partners</b>	<ul style="list-style-type: none"> <li>• First Point Of Contact (FPOC) customer interactions will need to be handled in the new, reduced time period.</li> <li>• The offer to Schools HR (income generating) service would also reduce in line with this.</li> </ul> <p>The impact on customers:</p> <ul style="list-style-type: none"> <li>• Reduced operating hours for customer contacts through Customer Access. Currently receive limited number of calls (1.3% of all calls) between 5-6pm.</li> </ul> <p>The impact to external partners:</p> <ul style="list-style-type: none"> <li>• Reduced opening hours for external partner contacts through Customer Access</li> </ul>			
<b>Actions needed to deliver the service change</b>	<ol style="list-style-type: none"> <li>1. Corporate and Cabinet approval of reduced operating hours</li> <li>2. Business analyses process and development of implementation plan to ensure all issues are</li> </ol>			

	addressed before change to new operating hours. This will include an effective communications plan and promotion of new hours.
<b>Is external consultation required</b>	The offer to Schools for the (income generating) HR service would also need to reduce in line with this and therefore needs to be considered when the decision is made. Communication with Schools is required.
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>RISK: Customers find a route into services when CAS not available. It is estimated that non-CAS interactions cost 1/3 more for the same function which would reduce the savings achieved.</p> <p>MITIGATION: This should be avoided by maximising the on-line offer (linking to SCO 74) and actively managing the customer away from direct contact with services.</p> <p>RISK: Customer confusion or misunderstanding of Customer Access availability leading to reputational risks.</p> <p>MITIGATION: Clear and effective communication plan for CAS operating hours, updating of all automated messages, and ensure correct information is provided by partner organisations.</p> <p>RISK: If CAS stop handling first point of contact interactions for a service, and this function instead becomes an online-only facility, then this offer needs to be fit for purpose to support true channel shift rather than generating additional contacts and customer dissatisfaction.</p> <p>MITIGATION: There should be a full project to plan and implement the changes to make sure this is completed properly.</p>
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Yes - completed

**Reference – SC078**

<b>Service Name:</b>	Customer Access Service – Stop Delivery of Highways Emails			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£5.339m			
<b>Income 2018/19</b>	£2.205m			
<b>Net budget 2018/19</b>	£3.134m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.040	0.000	0.000	0.000	-0.040
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
-1.90	0.00	0.00	0.00	-1.90
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	<p>A decision is required that Customer Access will stop delivering email access for Highway enquiries, directing customers to Report It.</p> <p>Email interactions are particularly inefficient as they seldom provide adequate levels of information for action, and become 'conversations' rather than reports for action.</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>Customer Access will:</p> <ul style="list-style-type: none"> <li>• See a reduction in the number and variety of email interactions and will actively direct customers to the on-line Report It facility.</li> <li>• Reduce number of FTEs due to reduced demand for email correspondence. This will be achieved through vacancy management in the first instance.</li> </ul> <p>The impact on LCC services.</p> <ul style="list-style-type: none"> <li>• Potential for email enquiries to find alternative routes in to the authority and reach Councillors and the Highway Service itself</li> <li>• Expectation that all interactions will be encouraged to take place on-line</li> </ul>			

	<ul style="list-style-type: none"> <li>• Collection of adequate and accurate information at first contact via Report It forms, ensuring appropriate remediation actions can be undertaken by the Highway Service quickly and effectively</li> </ul> <p>The impact on customers :</p> <ul style="list-style-type: none"> <li>• Customers affected are those who are already digitally enabled as they are making contact via email</li> <li>• The service will still be delivered by LCC as an online offering, the customer will be able to find information online, and will be required to interact with us online..</li> <li>• On-line reporting will ensure adequate information is provided by the customer at FPOC and avoid repeat contacts and prolonged interactions.</li> <li>• No anticipated impact on external partners</li> </ul>
<p><b>Actions needed to deliver the service change</b></p>	<ol style="list-style-type: none"> <li>1. Approval to stop dealing with Highway enquiries via email</li> <li>2. Thorough business analysis and data collection to allow informed planning and delivery of the work required to implement the proposals.</li> <li>3. A SMART project plan for delivery will be developed, using the information found in the business analysis work as a basis for timescales.</li> <li>4. Customers will be actively directed to the on-line Report It facility</li> </ol>
<p><b>Is external consultation required</b></p>	<p>No</p>
<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<p><b>RISK:</b> If CAS stop handling first point of contact for Highway email, there is a risk that these emails are redirected by customers to the Highways service, VIP mail or Councillors directly.</p> <p><b>MITIGATION:</b> This should be avoided and on-line options promoted by all parties within the authority.</p> <p><b>RISK:</b> If CAS stop handling first point of contact interactions for a service, and this function instead becomes an online-only facility, then this offer needs to be fit for purpose to support true channel shift rather than generating additional contacts and customer dissatisfaction.</p>

	<p><b>MITIGATION:</b> There should be a full project to plan and implement the changes to make sure this is completed properly.</p> <p><b>RISK:</b> That online options are not appropriate for all customers and some are unable to make reports.</p> <p><b>MITIGATION:</b> This proposal is specifically directed at customers already contacting the authority on-line (via email) and therefore it is anticipated that they will be able to use the Report it facility</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>Not required</p>



**Reference – SC103**

<b>Service Name:</b>		Lancashire Youth Offending Team (YOT)		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2020/21		
<b>Gross budget 2018/19</b>		£2.718m		
<b>Income 2018/19</b>		£1.851m		
<b>Net budget 2018/19</b>		£1.074m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.500	0.000	0.000	-0.500
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00*	0.00	0.00	0.00
<i>*this will be determined once budgets are pooled and may result in a staff reduction across the pooled resource.</i>				
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	<p>Agree for discussions to take place with Chief Executives of Lancashire, Blackburn with Darwen and Blackpool Local Authorities and respective Youth Justice Management Boards to agree to combine local YOTs to form a Pan Lancashire YOT and achieve a saving of £0.500m for Lancashire County Council.</p> <p>Agree that a consultation with the National Youth Justice Board takes place as they are a key financial partner in YOT's.</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	<ul style="list-style-type: none"> <li>Youth Offending Team work to reduce first time entrants to the youth justice system (prevention and diversion), reduce offending behaviour and reduce the use of custody. YOT services will continue to be provided to service users as per national standard requirements for Youth Justice.</li> <li>Impact would be positive for improving efficiencies with partner agencies in YOTs who already provide a Pan Lancashire Service i.e. Lancashire Constabulary, National Probation Service, HM Courts, Victim Services and UCLan. There are already Pan Lancashire Service Level Arrangements in place for these services.</li> </ul>			

<b>Actions needed to deliver the service change</b>	<ul style="list-style-type: none"> <li>• Consult with Local Authorities and Youth Justice Management Board (YJMB) financial partners for agreement.</li> <li>• Consult with Chief Executives of Lancashire, Blackburn with Darwen and Blackpool Local Authorities for agreement.</li> <li>• Consult with YJMB in relation to budgets.</li> <li>• Review of YOTs caseloads and service provision.</li> <li>• Review Pan Lancs YOT staffing arrangements including managers with a view to making efficiencies.</li> <li>• Combine governance, financial and Human Resources arrangements - 1 Youth Justice Management Board instead of 3.</li> <li>• Develop service level agreement for Pan Lancashire YOT health services.</li> <li>• Develop Pan Lancashire working arrangements with Local Authorities Children's Services – e.g. Education, Children's Social Care, Children and Families Well Being Service and SEND.</li> <li>• Share resources e.g. programmes, interventions, reparation schemes, Junior Attendance Centres (including pooled budget from Youth Justice Board), unpaid work, Saturday Court cover, evening and weekend working with young people and families, volunteer's service.</li> <li>• Develop Pan Lancashire Performance Management Framework supported by one Business Intelligence Team.</li> <li>• Develop shared commissioning arrangements (currently separate arrangements for Appropriate Adults Service and Triage).</li> <li>• Consult HM Inspectorate of Probation in relation to arrangements for YOT Inspections.</li> <li>• Develop a single volunteer service.</li> </ul>
<b>Is external consultation required</b>	No
<b>What are the risks associated with this change and how will they be mitigated</b>	<ul style="list-style-type: none"> <li>• Although the benefits outweigh the risks, the Unitary Authorities and respective multi agency YJMB's may not agree with the proposal. This key risk will be mitigated through early dialogue with partners to establish the appetite for merger, including discussion relating to current vacancies and proposals to recruit to vacancies in Partner YOTs.</li> </ul>
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required

**Reference – SC104**

<b>Service Name:</b>		Lancashire Youth Offending Team (YOT)		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£2.718m		
<b>Income 2018/19</b>		£1.851m		
<b>Net budget 2018/19</b>		£1.074m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.197	0.000	0.000	0.000	-0.197
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Agree that the Youth Offending Team will complete assessments on behalf of Children's Social Care of young people who display sexually harmful behaviour. Currently these assessments are commissioned out.			
<b>Impact upon service, other LCC services, service users and external partners</b>	Impact will be limited to service users as Lancashire Youth Offending Team core staff currently have the experience in providing the assessments and interventions for young people over 10 years within the youth justice system.			
<b>Actions needed to deliver the service change</b>	<ul style="list-style-type: none"> <li>• Consultation is taking place with Children's Social Care representative on the Youth Justice Management Board to prepare for taking referrals to the Youth Offending Team prevention service.</li> <li>• Youth Offending Team and Children's Social Care staff who will provide the prevention of sexually harmful behaviour assessments and interventions will need training to work with younger aged children in this area – the costs to this training can be covered from the Youth Offending Team pooled budget.</li> <li>• Pan Lancashire joint working arrangements with the Police, Children's Social Care and Youth Offending Team in managing young people who sexually harm will need reviewing and revising.</li> </ul>			
<b>Is external consultation required</b>	No			

<b>What are the risks associated with this change and how will they be mitigated</b>	Some of the young people who have commissioned service may still require specialist services. Youth Offending Team can spot purchase specialist support to support this work at approx. £600 per child, this can be covered in the pooled budget.
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required

**Reference – SC109**

<b>Service Name:</b>		Safeguarding, Inspection and Audit (Audit Team)		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£12.629m		
<b>Income 2018/19</b>		£0.568m		
<b>Net budget 2018/19</b>		£12.061m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.007	0.000	0.000	0.000	-0.007
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Agree to stop external moderation of childrens social care case file audits.			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>Moderation would be completed in-house which would achieve a saving as above. The quality and confidence in our own auditing was a positive in the recent Ofsted inspection.</p> <p>However, if this option was implemented, we would then lack external scrutiny and the confidence this provides. In order to mitigate this risk an independent audit team will complete dip samples of monthly audits to ensure quality is at the required level.</p>			
<b>Actions needed to deliver the service change</b>	Successful recruitment to new audit posts that are part of the new structure already in place for the service. Without this additional capacity, we wouldn't be able to fulfil this saving. The required changes to the audit team are currently in the consultation phase with current staff.			
<b>Is external consultation required</b>	No			

<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<ul style="list-style-type: none"> <li>• A lack of external scrutiny, challenge and the confidence this provides.</li> <li>• This would be additional work for the audit team due to the associated work this generates. Additional work would impact on the capacity to deliver the audit team's work including potentially to children with protected characteristics (see Equality Impact Assessment). In order to mitigate this risk an independent audit team will complete dip samples of monthly audits to ensure quality is at the required level.</li> <li>• The audit team is small thus delivery of this proposal is vulnerable to unforeseen circumstances (e.g. inspection, absence, competing demands). In order to mitigate this risk close monitoring of the priorities of the team will take place.</li> </ul>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>Not required</p>

**Reference – SC112**

<b>Service Name:</b>	Review of the management structure across Children's Social Care			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£103.316m			
<b>Income 2018/19</b>	£2.010m			
<b>Net budget 2018/19</b>	£101.306m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.481	-0.481	0.000	0.000	<b>-0.962</b>
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
-20.00*	0.00	0.00	0.00	<b>-20.00</b>
<i>* Estimated – actual figure to be determined following review</i>				
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	<b>0.000</b>
<b>Decisions needed to deliver the budgeted savings</b>	Agreement to review the management structure across Children's Social Care (CSC), including CSC Localities, Fostering, Adoption, Residential and Youth Offending Team (FARY), Safeguarding, Inspection & Audit (SIA) and Special Educational Needs & Disability (SEND).			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>The review will consider management tiers, roles and responsibilities and management spans. The review will identify how structures can be streamlined to improve efficiency, whilst providing focused leadership at all levels.</p> <p>To manage the impact on the service appropriate supervision ratios will be maintained, with a continued focus on improving the quality of front-line practice.</p>			
<b>Actions needed to deliver the service change</b>	<ul style="list-style-type: none"> <li>• Full HR consultation process with staff.</li> <li>• Development of new structures.</li> <li>• Implementation of new structures.</li> </ul>			
<b>Is external consultation required</b>	No			
<b>What are the risks associated with this change and how will they be mitigated</b>	<ul style="list-style-type: none"> <li>• There is a risk of service disruption, loss of expertise and impact on staff morale. There is also a potential impact on the continuing improvement journey for Children's Services.</li> </ul>			

	<ul style="list-style-type: none"> <li>• To mitigate against these risks a joint review will be undertaken, considering the management arrangements across CSC and SEND, engaging managers in the process of change.</li> <li>• Vacancies as they arise will be covered by temporary staff.</li> </ul>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>Not required</p>



**Reference – SC113**

<b>Service Name:</b>	Education and Children's Services Business Support			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£7.623m			
<b>Income 2018/19</b>	-£0.487m			
<b>Net budget 2018/19</b>	£7.136m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.410	-0.411	0.000	0.000	<b>-0.821</b>
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
-48.67	0.00	0.00	0.00	<b>-48.67</b>
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	<b>0.000</b>
<b>Decisions needed to deliver the budgeted savings</b>	Agree to redesign the business support service for Education and Children's Services.			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>The proposal is to redesign the business support service for Education and Children's Services. There are currently five separate business support functions supporting these services: School Improvement, Learning &amp; Skills, Special Educational Needs &amp; Disability (SEND), Fostering, Adoption, Residential &amp; Youth Offending, and Safeguarding, Inspection &amp; Audit.</p> <p>It is proposed that the new model operates on a 3 locality footprint with business support working across these services. The business support functions for School Improvement and Learning &amp; Skills will be brought together. It is also proposed to regrade some posts to ensure consistency of grades and responsibilities across the services. There will be a reduction of posts in the proposed structure as a result of streamlining the service. There is a potential impact on the service:</p> <ul style="list-style-type: none"> <li>• Potential reduction in the level of support provided to operational staff and managers. A more detailed review of the business support tasks undertaken will be required.</li> </ul>			

	<ul style="list-style-type: none"> <li>• Introduction of new ways of working and redesign of the service will impact on staff at all levels until these are fully embedded.</li> <li>• The establishment, disestablishment, regrading and/or relocation of posts required for this redesign to meet service requirements will impact on staff within the service.</li> </ul>
<b>Actions needed to deliver the service change</b>	<ul style="list-style-type: none"> <li>• Further detailed planning to confirm the structure, including the management arrangements and staff roles and responsibilities.</li> <li>• Further engagement with operational managers to ensure changes in practice meet service needs and that there is a commitment to the changes required, including new and more efficient ways of working.</li> <li>• Job evaluation of a significant number of posts is required as either new roles or proposed changes to existing roles and responsibilities.</li> <li>• Formal consultation with staff.</li> <li>• Support and advice from HR, Programme Office and finance colleagues.</li> <li>• Some of the proposals require IT enhancements to achieve efficiencies.</li> </ul>
<b>Is external consultation required</b>	No
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>The following risks have been identified:</p> <ul style="list-style-type: none"> <li>• Potential impact on statutory service delivery following a reduction in business support resources. This could result in operational staff undertaking administrative tasks. Mitigation: review of business support tasks to prioritise the work of the service and close monitoring of workloads from implementation onwards.</li> <li>• Loss of expertise and knowledge and impact on staff retention if management of change is not well managed. Mitigation: regular communication with staff as part of the redesign and implementation process. Provision of a comprehensive induction, training and support package to encourage staff retention and professional development.</li> <li>• Delays in the introduction of the IT enhancements required as detailed above.</li> </ul>
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required

**Reference – SC122**

<b>Service Name:</b>	Lancashire Safeguarding Children's Board			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£12.629m			
<b>Income 2018/19</b>	£0.568m			
<b>Net budget 2018/19</b>	£12.061m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.038	0.000	0.000	0.000	-0.038
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Review and reduce the contribution of LCC funding contribution to the Lancashire Safeguarding Children Board (LSCB).			
<b>Impact upon service, other LCC services, service users and external partners</b>	Changes in statutory guidance allow greater flexibility in how multi-agency safeguarding arrangements are configured. From September 2019, LSCBs will cease to exist, with the 3 statutory partners: local authority, police and health being responsible for the new arrangements. Discussions are taking place with Blackpool and Blackburn with Darwen regarding a pan Lancashire approach which will streamline Board structures and achieve financial savings.			
<b>Actions needed to deliver the service change</b>	Chief Officer agreement of the 3 statutory partners to progress a pan Lancashire approach in respect of future multi-agency safeguarding arrangements. Following this work will be required to implement the new structural arrangements.			
<b>Is external consultation required</b>	No			

<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<p>There are minimal risks as changes in statutory guidance mean that there is a statutory requirement to implement new multi-agency safeguarding arrangements. This therefore provides an opportunity to review our approach. However, the timescales are very tight in that the new arrangements must be in place by September 2019 and ideally in advance of this deadline. There are minimal risks in relation to the budget reduction of £38k, as these will be efficiencies that are generated from the new working arrangements.</p>	
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>Not required</p>	

**Reference – SC123**

<b>Service Name: CSC</b>		Demand Management Projects including an expansion of Family Group Conferencing		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2020/21		
<b>Gross budget 2018/19</b>		£103.316m		
<b>Income 2018/19</b>		£2.010m		
<b>Net budget 2018/19</b>		£101.306m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-2.300	0.000	0.000	-2.300
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>Recurrent:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.420	0.000	0.000	0.420
<b>Decisions needed to deliver the budgeted savings</b>	<p>To agree to the development and delivery of a programme of targeted interventions for children and young people on the edge of care using approaches including Family Group Conferencing targeted on</p> <ul style="list-style-type: none"> <li>• Children In Need</li> <li>• Child Protection</li> <li>• Pre-Proceedings</li> </ul> <p>Agree to recurrent investment of £0.420m in order to support saving delivery. This is an estimate at this stage with the details of the investment to be developed as part of the implementation plan of the saving.</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	Safe reduction of numbers of looked after children and those subject to child protection plans and pre proceedings.			
<b>Actions needed to deliver the service change</b>	Analysis of "what works" evidence base to select range of interventions			

	<p>Establish delivery team to pilot approaches / extend existing targeted provision</p> <p>Develop pathways</p> <p>Commence interventions</p> <p>Ongoing review and alignment with Lifechances Programme. This is a programme that LCC has successfully secured funding for and will reduce the no of children looked after through a delivery model based on payment by results.</p>
<b>Is external consultation required</b>	No
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>Risk that interventions will not achieve diversion from care. This will be mitigated through the use of interventions, including Family Group Conferencing, which have a strong evidence base and have been tested on a small scale within the Lancashire footprint before being adopted more widely.</p>
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required

**Reference – SC124**

<b>Service Name:</b>		Children's Social Care		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£103.316m		
<b>Income 2018/19</b>		£2.010m		
<b>Net budget 2018/19</b>		£101.306m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.137	-0.413	0.000	0.000	-0.550
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
-17.00*	0.000	0.000	0.000	-17.00
<i>* Estimated – actual figure to be determined following review</i>				
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>		Agreement to review Family Support Worker posts across Children's Social Care and the Child and Family Wellbeing Service and identify opportunities for rationalisation.		
<b>Impact upon service, other LCC services, service users and external partners</b>		A reduction in Family Support Workers, without mitigations that may be identified through the review, will reduce the level of support that the County Council is able to provide to vulnerable children and families.		
<b>Actions needed to deliver the service change</b>		<ul style="list-style-type: none"> <li>• Joint work between Children's Social Care and the Child and Family Wellbeing Service to determine the most appropriate use of Family Support Worker capacity to ensure that we continue to deliver an effective Early Help service which prevents the needs of children, young people and families escalating to the level of them needing more costly statutory social care intervention. Engagement with partners to explore their capacity to provide support in this area of work</li> <li>• Development of options and mitigations</li> <li>• Consultation with staff, service users and partners</li> <li>• Decision on future options</li> <li>• Work with the teams to prepare them for changes in expectations regarding their role</li> <li>• Development of new structures</li> <li>• Implementation of new structures</li> </ul>		

<b>Is external consultation required</b>	No	
<b>What are the risks associated with this change and how will they be mitigated</b>	<ul style="list-style-type: none"> <li>Without mitigation, there is a risk that fewer children and families will receive support or that the demands on social workers will increase. Mitigation will be through a joint review across the Child and Family Wellbeing Service and Children's Social Care to identify how collective capacity can be focussed most appropriately to improve outcomes for children, young people and their families.</li> </ul>	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required	



**Reference – SC134**

<b>Service Name:</b>	Special Educational Needs and Disabilities - Independent Non Maintained Special Schools			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2020/2021			
<b>Gross budget 2018/19</b>	£23.159m			
<b>Income 2018/19</b>	£6.603m			
<b>Net budget 2018/19</b>	£16.556m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.087	-0.063	0.000	-0.150
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.25	0.00	0.00	0.25
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Agree to review the current arrangements for commissioning Independent Non-Maintained Special School places and to improve i contract management arrangements.			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>The review will provide an opportunity to ensure that the standard and quality of provision purchased by the County Council is maintained or improved. The review will also provide an opportunity to give longer term certainty to providers regarding the price that they can expect to receive, rather than negotiating price increases on a case by case basis each year.</p> <p>There will be no detrimental impact on children and young people.</p>			
<b>Actions needed to deliver the service change</b>	Review the current arrangements for commissioning of Independent Non-Maintained Special School places and strengthening capacity to undertake contract management.			
<b>Is external consultation required</b>	No			

<b>What are the risks associated with this change and how will they be mitigated</b>	Current Placements may be high cost and may be of variable quality. The review is expected to enable the Council to gain greater assurance to ensure that Placements are of high quality, meet individual children's needs and provide best value through clear pricing arrangements.	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required	

**Reference – SC136**

<b>Service Name:</b>	School Improvement			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2020/2021			
<b>Gross budget 2018/19</b>	£15.308m			
<b>Income 2018/19</b>	£2.622m High Needs £5.808m General fund			
<b>Net budget 2018/19</b>	£6.878m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.450	0.000	0.000	-0.450
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	TBC	0.00	0.00	TBC
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	<p>Review use of education budget for Children Looked After and Care Leavers</p> <p>Reduce core team of advisers, following greater partnership development work with schools, academies and Teaching School Alliances.</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>In 2017 there was a significant additional investment in the education budget for Children Looked After and Care Leavers. The budget has been wisely spent, presenting and an opportunity to review and reduce the budget to reflect existing levels of expenditure.</p> <p>Reducing the core team of advisers will rely on a willingness of senior leaders in schools to wish to undertake this role. There may be an impact on income generation (ie schools not buying support) if there is a reduction in the number of senior advisers and a possible impact on standards and provision in schools, if no school improvement is purchased.</p>			
<b>Actions needed to deliver the service change</b>	Review of education budgets for Children Looked After and Care Leavers			

	Restructure of remaining areas of school improvement including required consultation with staff and trade unions.	
<b>Is external consultation required</b>	No	
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>Risks</p> <ul style="list-style-type: none"> <li>• The monitoring arrangements (performance, Head Teacher appointments etc) are dependent upon good relationships with a high level of buy back from schools which provides detailed information on school performance. If this were not sustained the offer would need to be revised.</li> <li>• A reduction in support for schools in disadvantaged areas, often those facing budgetary challenges, affects specific parts of Lancashire and particular communities disproportionately (eg Black and Minority Ethnic groups, Free School Meals pupils and their families)</li> </ul> <p>Mitigation:</p> <ul style="list-style-type: none"> <li>• We will develop the concept of partnership development work with school leaders (2019 – 2020) to pave the way for this move.</li> <li>• We will advertise and interview potential candidates (as is current practice), then ensure proper induction arrangements.</li> </ul>	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required

**Reference – SC312**

<b>Service Name:</b>	Exchequer			
<b>Gross budget 2018/19</b>	£4.390m			
<b>Income 2018/19</b>	£1.944m			
<b>Net budget 2018/19</b>	£2.446m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-2.750	0.000	0.000	0.000	-2.750
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
6.00	0.00	0.00	0.00	6.00
<b>Investment Required (Invest to Save):</b>				
An investment in additional financial assessment staff will be needed on a recurrent basis to ensure adequately trained staff are available to ensure financial reassessments are undertaken on a regular basis.				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.250	0.000	0.000	0.000	0.250
<b>Decisions needed to deliver the budgeted savings</b>	Authorisation to recruit additional staff to undertake financial reassessments on a regular basis and ensure the county council recovers the appropriate contributions due under its charging policies.			
<b>Impact upon service, other LCC services, service users and external partners</b>	None.			
<b>Actions needed to deliver the service change</b>	Recruit additional financial assessment staff to deliver additional financial re-assessments and ensure appropriate charges are levied.			
<b>Is external consultation required</b>	No			
<b>What are the risks associated with this change and how will they be mitigated</b>	Financial assessment staff with the right skills cannot be recruited in the required timeframe.  Workloads will be managed within the team to maximise the number of reassessments that can be undertaken.			
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b> <a href="http://intranet.ad.lancscc.net/a-z/equality-analysis/">http://intranet.ad.lancscc.net/a-z/equality-analysis/</a>	not required			

**Reference – SC316**

<b>Service Name:</b>	Corporate Finance			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£23.432m			
<b>Income 2018/19</b>	£0.000m			
<b>Net budget 2018/19</b>	£23.432m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-2.300	0.100	0.300	0.000	-1.900
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	<p>The forecast Minimum Revenue Provision (MRP) annual charge is determined by the cumulative borrowing used to finance the Capital Programme and the assumed asset life for the capital expenditure which has been financed by borrowing.</p> <p>The Capital Programme has been subject to a review which has involved the review of each asset type and has resulted in a re-phasing of the use of borrowing. A default estimated asset life of 25 years is currently used in the MRP forecasts to ensure any borrowing secured against an asset is written down over its expected life and in accordance with financial regulations. Estimates of asset lives will be determined for each asset class where possible, and these will be used in place of the default 25 years.</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	None			

<b>Actions needed to deliver the service change</b>	The change can be made within existing policies although for very long term assets professional certification will be required	
<b>Is external consultation required</b>	No	
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>The Capital Programme consists of assets with varying lives which are not necessarily known when estimating the MRP.</p> <p>The external auditor will be kept informed of our decisions and provided with evidence of compliance with the required regulations. Professional certification of asset life estimates will be used where appropriate.</p>	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b> <a href="http://intranet.ad.lancscc.net/a-z/equality-analysis/">http://intranet.ad.lancscc.net/a-z/equality-analysis/</a>	not required	

**Reference – SC317**

<b>Service Name:</b>	Corporate Finance			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£23.546m			
<b>Income 2018/19</b>	£7.940m			
<b>Net budget 2018/19</b>	£15.606m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-2.000	-0.000	-0.000	-0.000	-2.000
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Set a £2m target to be achieved through increased investment return and/or reduced cost of borrowing.			
<b>Impact upon service, other LCC services, service users and external partners</b>	None			
<b>Actions needed to deliver the service change</b>	Refinance borrowing or secure investments to generate the required increase in the forecast recurrent net return.			
<b>Is external consultation required</b>	No			
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>Fixed return investments offer lower yields. Higher yielding investments may involve investments with lower liquidity or greater volatility in returns.</p> <p>The overall investment and borrowing portfolio will be constructed to achieve balance between fixed and variable returns and will include assets which are sufficiently liquid.</p>			
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b> <a href="http://intranet.ad.lancscc.net/a-z/equality-analysis/">http://intranet.ad.lancscc.net/a-z/equality-analysis/</a>	not required			



**Reference – SC358**

<b>Service Name:</b>	Child Protection Legal Services Legal Fees/Disbursements			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£5.393m			
<b>Income 2018/19</b>	£0.000m			
<b>Net budget 2018/19</b>	£5.393m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.393	-0.393	0.000	0.000	-0.786
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Work with Children's Social Care services to streamline practice by ensuring files and assessments are completed more quickly so that the number of case management hearings are reduced and final outcomes for children and families are speeded up.			
<b>Impact upon service, other LCC services, service users and external partners</b>	Children's social care practitioners would need to revise their working practices.  It would help free up court time.			
<b>Actions needed to deliver the service change</b>	Continued close working between Legal and Children's Services to implement the necessary changes in working practices. The proposed new pre-proceedings protocol will help improve current practice.			
<b>Is external consultation required</b>	No			
<b>What are the risks associated with this change and how will they be mitigated</b>	Resistance to change will be mitigated through changes to working practices and close collaboration and monitoring by senior managers.  Saving is based on maximum possible reduction in court hearings – some additional hearings may be necessary.			

<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required
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**Reference – SC366**

<b>Service Name:</b>	Child Protection Legal Services Reduction of 25 Public Law Outline cases			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2020/21			
<b>Gross budget 2018/19</b>	£5.393m			
<b>Income 2018/19</b>	£0.000m			
<b>Net budget 2018/19</b>	£5.393m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.321	0.000	0.000	-0.321
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Children's services have put forward a proposal to reduce the number of Public Law Outline cases by 25. If the number of cases going before the court is reduced then the disbursement costs associated with the case are saved.			
<b>Impact upon service, other LCC services, service users and external partners</b>	Children's Social Care change in practice to put more emphasis on working more proactively with families at an earlier stage to avoid the need for this level of intervention.  It would help free up court time.			
<b>Actions needed to deliver the service change</b>	Continued close working between Legal and Children's Services to change current working practices.			
<b>Is external consultation required</b>	No			
<b>What are the risks associated with this change and how will they be mitigated</b>	The number of cases continues to rise across the country and this national trend may continue so that whereas we manage to achieve our goals in terms of managing risk and keeping families together that may otherwise have been taken through the public law process, the savings are unachievable because of continuing increases. Findings from demand analysis work will inform next steps. Success			

	<p>will depend upon the work that CSC are undertaking in terms of reviewing risk and practice, including the work identified as part of development of the Corporate Parenting Strategy and the Children's Services Improvement Plan.</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>Not required</p>

**Reference – SC368**

<b>Service Name:</b>		Child Protection Legal Services Police Disclosure costs		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£5.393m		
<b>Income 2018/19</b>		£0.000m		
<b>Net budget 2018/19</b>		£5.393m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.021	0.000	0.000	0.000	<b>-0.021</b>
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	<b>0.000</b>
<b>Decisions needed to deliver the budgeted savings</b>	In the last year, we spent in the region of £28k to obtain Police disclosure in child protection cases. The proposal is to recover as much of a proportion of this cost as possible from third parties listed in the case by the end of 2019/20. We estimate we would be able to receiver in the region of £21k in contributions from the other parties to the proceedings in the first year.			
<b>Impact upon service, other LCC services, service users and external partners</b>	Improved efficiency.			
<b>Actions needed to deliver the service change</b>	<p>The local authority now obtains police disclosure on the majority of public law cases.</p> <p>The court directs an order for disclosure at the first case management hearing and the local authority will request provision within this order for the cost of obtaining the disclosure to be shared between the parties.</p> <p>It is likely the court will consider this to be a reasonable request on behalf of the local authority and grant this order.</p> <p>The mother, father and Children's guardian all require copies of the police disclosure and we are requesting the total cost will be shared between these parties and recovered by the local authority legal team.</p>			

<b>Is external consultation required</b>	No	
<b>What are the risks associated with this change and how will they be mitigated</b>	There may be a reluctance on the part of third parties to contribute to this especially if the party is not publicly funded. Work needs to be done to persuade the courts to adopt this as a standard order by ensuring it is viewed as beneficial to the process	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Not required	

**Reference – SC374**

<b>Service Name:</b>	Democratic Services – Freeze Annual Uplift			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£1.295m			
<b>Income 2018/19</b>	£0.000m			
<b>Net budget 2018/19</b>	£1.295m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.013	0.000	0.000	0.000	<b>-0.013</b>
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	<b>0.00</b>
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	<b>0.000</b>
<b>Decisions needed to deliver the budgeted savings</b>	The annual uprating of the Basic Allowance and Special Responsibility Allowances in accordance with staff pay increases could be frozen for one or more years. This would also achieve a further saving in 2019/20 of £12,925 (based on a 1% increase).			
<b>Impact upon service, other LCC services, service users and external partners</b>	No direct impact.			
<b>Actions needed to deliver the service change</b>	All decisions relating to allowances and expenses must be considered by the Independent Remuneration Panel and their recommendations taken into account by Full Council when determining the level of allowances.			
<b>Is external consultation required</b>	No			
<b>What are the risks associated with this change and how will they be mitigated</b>	Fewer or lower quality candidates coming forward for election. Mitigation: It is unclear that the level of remuneration is a major factor in whether candidates stand for election. The quality of candidates is a matter for political groups. The Council will, in any scenario, have 84 councillors (as recently confirmed through the boundary review prior to the last election).			

	<p>Councillors less willing or able to devote as much time to council business</p> <p>Mitigation: An accompanying budget option seeks to reduce the number of meetings. Additionally, work is underway on rolling out a Casework Management System for Councillors, which should enable them to deal with casework more efficiently.</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>Not required</p>



**Reference – SC375**

<b>Service Name:</b>	Democratic Services – Member Subsistence			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£0.005m			
<b>Income 2018/19</b>	£0.000m			
<b>Net budget 2018/19</b>	£0.005m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.005	0.000	0.000	0.000	-0.005
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Remove Councillors entitlement to claim expenses for expenditure on subsistence.			
<b>Impact upon service, other LCC services, service users and external partners</b>	No direct impact			
<b>Actions needed to deliver the service change</b>	All decisions relating to allowances and expenses must be considered by the Independent Remuneration Panel and their recommendations taken into account by Full Council when determining the level of allowances.			
<b>Is external consultation required</b>	No			
<b>What are the risks associated with this change and how will they be mitigated</b>	Fewer or lower quality candidates coming forward for election.  Mitigation: It is unclear that the level of remuneration is a major factor in whether candidates stand for election. The quality of candidates is a matter for political groups. The Council will, in any scenario, have 84 councillors (as recently confirmed through the boundary review prior to the last election)			

	<p>Councillors less willing or able to devote as much time to council business</p> <p>Mitigation: An accompanying budget option seeks to reduce the number of meetings. Additionally, work is underway on rolling out a Casework Management System for Councillors, which should enable them to deal with casework more efficiently.</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>Not required</p>

**Reference – SC401**

<b>Service Name:</b>		Facilities Management		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£28.932m		
<b>Income 2018/19</b>		£9.396m		
<b>Net budget 2018/19</b>		£19.536m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.040	0.000	0.000	0.000	0.040
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.030	0.000	0.000	0.000	0.030
<i>Year 1 – Capital investment in system, Health and Safety improvements, signage etc. Investment reduced to the absolute minimum to implement public charging only.</i>				
<b>Decisions needed to deliver the budgeted savings</b>	<p>Decision to reinstate charges for public parking at weekends on Arthur St car park at County Hall.</p> <p>Decision to introduce charges for short stay public parking for Registration Service and Records Archive Service at County Hall midweek for client appointments and weekends for public parking.</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>The Lancashire County Council Parking Services team systems could be integrated with Facilities Management to manage enforcement and revenue collection. Further exploration is required.</p> <p>The Records Archive Service income may be affected if customers are not willing to pay for parking to access service and some users may complain and seek alternative travel or parking arrangements.</p> <p>The Registration Service may be affected by client complaints but the charge should have minimal impact on service delivery.</p>			

<b>Actions needed to deliver the service change</b>	<p>Procure a mechanism to support parking charges.</p> <p>Apply for respective legal orders to allow for respective charges to be levied.</p> <p>Undertake minimum health and safety and security improvements on car parks.</p> <ul style="list-style-type: none"> <li>• Install signage to notify charging rates with terms and conditions</li> </ul>	
<b>Is external consultation required</b>	No	
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>As exists with all our parking facilities, there is a risks from potential litigation e.g. members of the public having accidents on our car parks or suffering stolen or damaged vehicles and making claims against Lancashire County Council. This will be mitigated by ensuring adequate signage with disclaimers, maintenance of existing CCTV, and regular inspections of car park conditions.</p> <p>Risk of loss of income to the Records Archive Service if customers are not willing to pay for parking to access service although users may seek alternative travel or parking arrangements.</p> <p>Archive service to manage the expectations of service users.</p> <p>Charging may help to mitigate against other users who are not accessing services e.g. shoppers and provide more regular availability for service users.</p>	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Yes - completed	

**Reference – SC501**

<b>Service Name:</b>	Adult Social Care Community (Older People (OP) / Physical Disability (PD))			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19*</b>	£113.311m			
<b>Income 2018/19*</b>	£48.052m			
<b>Net budget 2018/19*</b>	£65.259m			
<i>*The budget represents the total residential care budget for OP/PD</i>				
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.680	-1.670	-1.020	-0.020	<b>-3.390</b>
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<i>*Further work is required to test the assumptions and supporting proposed savings above and to determine whether further investment is required. Target and stretch values represent potential best and worst case scenarios and will be refined following testing.</i>				
<b>Decisions needed to deliver the budgeted savings</b>	To approve the intention to reduce the number of admissions to residential care by Adult Social Care Community Teams			
<b>Impact upon service, other LCC services, service users and external partners</b>	Interface with Commissioning where unmet need is identified and to commission new services that provide an alternative to long term residential care.  Possible impact on residential care sector.			
<b>Actions needed to deliver the service change</b>	Determine a baseline and performance targets that bring Lancashire in line with our comparative authorities. These will then be used to monitor and report performance.  To identify authorities to benchmark against and look at best practice in high performing authorities.  A county residential forum will add the necessary rigour and evidence in relation to: <ul style="list-style-type: none"> <li>Decision making – evidencing that the following options have been explored and that clear evidence is demonstrated within the assessment:</li> </ul>			

	<ul style="list-style-type: none"> <li>○ Divert to step up beds/intermediate care</li> <li>○ Extra care</li> <li>○ Supported living</li> <li>○ Night time support</li> <li>○ Shared Lives</li> <li>○ Respite</li> </ul> <ul style="list-style-type: none"> <li>● Considered equipment need/telecare and use of occupational therapists to explore alternatives that enable an individual's social care needs to be met outside of residential care.</li> <li>● Identified unmet need.</li> <li>● A clear feedback process to inform commissioning.</li> <li>● It will also improve practice and accuracy of recording and reporting.</li> </ul> <p><u>Policy / Practice change</u>          In order to maintain a person within their own home rather than facilitate admission to residential care there will need to be a review of the county's policy around the 'reasonable offer' which governs the personal budget that is offered to individuals to maintain them at home.</p> <p>There will need to be clear guidance for operational staff.</p>
<p><b>Is external consultation required</b></p>	<p>No</p>
<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<p>Increased demand and lack of alternative resource to meet social care need outside of residential care.          Mitigation: to have a clear process to enable the service to inform commissioning what is needed and for the service to be involved in the commissioning of the required service.</p> <p>Increased spend on domiciliary care.          Mitigation: The policy will make the message to staff clearer and make clear when an increase in spend is justifiable.</p> <p>Challenge from service users and their families who believe residential care is the best option.          Mitigation: Better information from the start of the process and residential care not be offered without social care involvement.</p> <p>Challenge from partners such as Acute due to competing pressures leading to a discharge that does not meet with the ideal outcome.</p>

<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Yes - completed
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**Reference – SC505**

<b>Service Name:</b>	Home care for older adults and people with physical disabilities – promoting single-handed care			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	N/A			
<b>Income 2018/19</b>	N/A			
<b>Net budget 2018/19</b>	£16.620m			
<i>Current package of care costs for the cohort of service users effected by this proposal</i>				
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.307	-1.079	-0.818	-0.041	-2.245
<b>FTE implications:</b>				
<b>Recurrent:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
3.00	0.00	0.00	0.00	3.00
<b>Temporary:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
6.00	0.00	-6.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>Recurrent:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.323	0.000	0.000	0.000	0.323
<b>Temporary:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.142	0.142	0.000	0.000	0.284
<i>The above figures include projected staffing costs, equipment costs and training costs. Investment is also required on a one-off basis in order to incentivise independent domiciliary care providers in order that we can progress this project and reach its full potential. Without the openness to change and work differently by providers, the savings and future avoided costs will not be realised. Incentivising the providers will be in the form of provision of training, backfill funding for training, and costs of additional review and risk assessment activity incurred for the provider with each of the 800+ existing services users in receipt of 2 carer packages of care.</i>				
<b>Decisions needed to deliver the budgeted savings</b>	<p>Approve that all existing double-handed care packages (i.e. care provided by more than one worker for each visit) will be reviewed with the aim of replacing visits with single-handed care and appropriate equipment where this would continue to be safe and meet the person's eligible needs and outcomes;</p> <p>Approve that all new double-handed care packages are for a time limited period only – normally for a maximum period of six weeks – during which time a planned assessment</p>			



	<p>will be undertaken on the same basis as set in point 1 above</p> <p>Endorse the creation of a temporary dedicated single-handed care team on an invest to save basis to lead the delivery of the above activities the cost of which is included in the above investment figures.</p> <p>Endorse the creation of 3 permanent Grade 9 OTs to take on the new incoming work (analysis shows this averages at 56 new presentations each month) simultaneous to the review work to ensure the 'review list' doesn't increase, but also to avoid costs much earlier in the process. These posts are required on an ongoing basis as these assessments will always be needed, alongside coaching of internal and external staff, promoting culture change and thinking, and providing a critical expert capacity.</p>
<p><b>Impact upon service, other LCC services, service users and external partners</b></p>	<p>It is expected that there will be three key positive benefits as set out below:</p> <ol style="list-style-type: none"> <li>1) <b>Impact on service users</b> – people will have a better experience of care because it will be more personalised and dignified.</li> <li>2) <b>Impact on the workforce</b> – it will free-up much needed care worker capacity in a market that has staff recruitment and retention challenges.</li> <li>3) <b>Impact on the council's costs</b> – double-handed care visits cost twice as much as single-handed care visits, hence the above projected budget reductions.</li> </ol> <p>The other expected impacts are as follows:</p> <ul style="list-style-type: none"> <li>• <b>Home care providers</b> – some providers will see this as a loss of business to them and against their own moving and handling policies and procedures. Other providers will see it as a positive as it will free-up their care worker capacity.</li> <li>• <b>Reablement services</b> – promoting single-handed care must also be embedded in reablement services in terms of both the council's own teams and external providers. Potential for impact on Reablement hours capacity should all new double-handed care commissions have a period of Reablement first. Will be monitored and action taken if necessary.</li> <li>• <b>Community equipment</b> – increased expenditure and activity on the provision of moving and handling equipment will occur. There will also be additional servicing and maintenance costs and related administration, including for ceiling track hoists supplied under the council's contract.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>District councils</b> – they will experience a modest increase in Disabled Facilities Grant requests from occupational therapists, particularly for ceiling track hoists.</li> <li>• <b>NHS</b> – there may need to be some single-handed care training for allied health professionals; clinical commissioning groups may also incur additional community equipment costs; and freeing-up care worker capacity will help to reduce delayed transfers of care.</li> </ul>								
<p><b>Actions needed to deliver the service change</b></p>	<p>The key required actions and steps if this proposal is to be taken forward are as follows:</p> <ol style="list-style-type: none"> <li>1) Develop governance arrangements</li> <li>2) Establish and recruit to single-handed care team</li> <li>3) Develop and implement staff training plan</li> <li>4) Produce new policy and procedures</li> <li>5) Stakeholder communication and engagement</li> <li>6) Produce benefits management framework</li> <li>7) Commence reviews of existing cases</li> <li>8) Develop pathways to embed in practice for new cases.</li> </ol> <p>A change in culture and practice by Adult Services, the NHS and care providers will be essential – actions 3, 4, 5 and 8 in particular would help to achieve this.</p>								
<p><b>Is external consultation required</b></p>	<p>No</p>								
<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<table border="1"> <thead> <tr> <th data-bbox="587 1220 995 1272">Risk</th> <th data-bbox="995 1220 1418 1272">Mitigation</th> </tr> </thead> <tbody> <tr> <td data-bbox="587 1272 995 1346">Lack of resources to deliver the project</td> <td data-bbox="995 1272 1418 1346">Establish dedicated single-handed care team</td> </tr> <tr> <td data-bbox="587 1346 995 1608">Unable to recruit occupational therapists</td> <td data-bbox="995 1346 1418 1608">Recruit at grade 9 given the complexity of the work and line management responsibilities to the Social Care Support Officer, and use existing networks</td> </tr> <tr> <td data-bbox="587 1608 995 2042">Lack of progress until recruitment takes place</td> <td data-bbox="995 1608 1418 2042">Some limited work is already underway with a community Occupational Therapist specialist in Central Lancs linking to work with people coming through Reablement with double-handed care. To explore any capacity to expand this as more LCC Occupational Therapist are trained prior to</td> </tr> </tbody> </table>	Risk	Mitigation	Lack of resources to deliver the project	Establish dedicated single-handed care team	Unable to recruit occupational therapists	Recruit at grade 9 given the complexity of the work and line management responsibilities to the Social Care Support Officer, and use existing networks	Lack of progress until recruitment takes place	Some limited work is already underway with a community Occupational Therapist specialist in Central Lancs linking to work with people coming through Reablement with double-handed care. To explore any capacity to expand this as more LCC Occupational Therapist are trained prior to
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		recruitment to the temporary team. (will involve reducing capacity for other elements of work for a temporary period)
	Resistance from service users and their families	Develop case studies and promote positive impact
	Resistance from home care providers	Use co-production and new contractual conditions
	Resistance from other key partners	Implement communication and engagement plan
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>		Yes - completed

**Reference - SC507**

<b>Service Name:</b>		Changes in Night Time Support rate for commissioned services		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£152.043m		
<b>Income 2018/19</b>		£12.668m		
<b>Net budget 2018/19</b>		£139.375m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-6.000	-0.900	0.000	0.000	-6.900
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	<p><b>Effective 1<sup>st</sup> April 2019</b></p> <p>To pay service providers a sleep-in fee that matches (and subsequently mirrors) the county council's in-house staff sleep-in terms and conditions. For 2019/20 this is set at £36.08 staff payment and equates to £47.43 provider payment (after allowing for national insurance and pension costs).</p> <p><b>For a transitional period 1<sup>st</sup> April 2019 to 30<sup>th</sup> September 2019</b></p> <p>To pay a top up of £11.73 (total payment of £59.16 with a payment to staff of £45 per shift) in order to phase the reduction and allow time for service providers to implement new staff terms and conditions.</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	This budget option relates to fees and does not require a change to the nature of services being delivered.			

<p><b>Actions needed to deliver the service change</b></p>	<ul style="list-style-type: none"> <li>• Lancashire County Council to communicate with providers regarding the final decision immediately following Cabinet in December 2018.</li> <li>• Payment processing systems to be updated following: <i>Rates to change in April 2019 (incorporating transitional arrangements to 'top up' the rates from 1<sup>st</sup> April to 30<sup>th</sup> September 2019).</i></li> </ul>
<p><b>Is external consultation required</b></p>	<p>No external consultation is required; existing contracts permit annual rate reviews without the need for consultation.</p> <p>However, during September 2018 the County Council held an informal meeting with 9 of our largest supported living providers to seek their views and potential implications of a reduction in sleep-in fees. Key points from this meeting are as follows:</p> <ul style="list-style-type: none"> <li>• <i>The rate paid to providers should consider the impact on staff retention and the ability to deliver safe services and therefore allow them to pay staff at least £45 per night, which would equate to £59 per night to providers inclusive of on-costs.</i></li> <li>• <i>We should await the outcome of whether Unison's Appeal has been granted before putting forwards a final position.</i></li> <li>• <i>We should not implement any changes in the current financial year and April 2019 would be the earliest possible date they could complete a consultation period with affected staff.</i></li> <li>• <i>We should consider a phased reduction to allow provider employees affected by this change time to adjust to a lower take home pay.</i></li> </ul>
<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<p><b><i>Rationale for Change</i></b></p> <p>On 13<sup>th</sup> July 2018 the Court of Appeal issued its decision in Royal Mencap Society and Tomlinson-Blake ruling:</p> <p><i>"....carers who work sleep-in shifts at a client's residence and who are 'on call' are not entitled to the National Minimum Wage for periods whilst they are asleep."<sup>1</sup></i></p> <p>In April 2016 Lancashire County Council changed the basis of its sleep-in fees to reflect all sleeping hours counting towards national living wage. As a result of this decision we may return to paying a flat rate fee.</p> <p><b><i>Supreme Court Appeal</i></b></p> <p>The Court of Appeal decision represents the current interpretation of the law. However, it may not be the final</p>

<sup>1</sup> <https://www.walkermorris.co.uk/publications/a-bright-line-decision-court-of-appeal-rules-in-mencap-sleep-in-shift-case/>

	<p>position in relation to sleep-in rates of pay and The Supreme Court could overturn the Court of Appeal decision.</p> <p>The decision as to whether the Supreme Court will grant Unison the right to Appeal the July ruling has not been announced<sup>2</sup> but is expected imminently. If leave to appeal is granted, it will be 2019 before the Supreme Court hears the case and a decision may not be reached before 2020.</p> <p>Should the Supreme Court overturn the Court of Appeal decision, there is a risk that the decision is backdated meaning providers are faced with significant financial liabilities.</p> <p><i>Mitigation</i> Should this situation occur this is no mitigation and Lancashire County Council and the adult social care sector will be required to find a solution to prevent significant disruption to the market. However this would be a national issue.</p> <p><b>Recruitment &amp; Retention</b> A reduction in our night time sleep in fee will ultimately translate to a reduction in provider staff take home pay and potentially impact on providers' ability to recruit and retain staff.</p> <p><i>Mitigation</i> Issues relating to recruitment and retention as a whole within the adult social care sector are reviewed via the Health and Social Care Partnership.</p> <p><b>Provider Financial Stability</b> Some providers may have changed their terms of employment with staff and therefore any change to sleep-in payments may be more difficult for these providers to implement and manage.</p> <p>If they cannot match changes to their staff terms and conditions with changes in LCC fees they face increased risk of financial instability.</p> <p><i>Mitigation</i> In response to feedback gained during information informal discussion with providers (see later) Lancashire County Council is proposing to phase the reduction in fees.</p>
<p><b>Is an Equality Analysis required and,</b></p>	<p><b>NOT REQUIRED:</b></p>

<sup>2</sup> As at 29<sup>th</sup> October 2018

<p><b>if so, has one been undertaken?</b></p>	<p>In taking this decision the County Council is reflecting on the July 2018 Court of Appeal decision in relation to payment for sleep-in services whereby:</p> <p><i>"care workers doing sleep-in shifts are only entitled to the NMW when they are required, because they need to undertake a specific activity, to actually be awake"</i></p> <p>We accept that sleep-ins are delivered to service users with protected characteristics and acknowledge the potential adverse impact on providers. However, given the county councils financial position we consider it appropriate to adjust our fee in line with current legal rulings.</p>
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**Reference - SC508**

<b>Service Name: Adult Services (Mental Health and LD&amp;A Joint Budget Options)</b>	Modernisation of Supported Housing			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£152.043m			
<b>Income 2018/19</b>	£12.668m			
<b>Net budget 2018/19</b>	£139.375m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.158	-1.131	-1.303	-1.303	<b>-3.895</b>
<i>Savings span a 5 year period over this current timeframe with a total potential saving of target £6.6m stretch £9.9m</i>				
<b>FTE implications:</b>				
<b>Temporary:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
13.00	0.00	-13.00	0.00	<b>0.00</b>
<b>Investment Required (Invest to Save):</b>				
Establish a separate team of Social Workers dedicated to the management of the transfer of adults with learning disabilities, autism or mental health needs into flat schemes from other service settings e.g. from residential care or shared housing settings..				
1 Team Manager (Grade 10)				
1 Senior Social Worker (Grade 9)				
6 Social Workers (Grade 8)				
3 Social Care Support Officers (Grade 6)				
In addition, 2 Grade 12 posts (or Consultancy Equivalent) for 2 years to lead on the strategic development of the new Models of Support through development with Housing Associations & Developers and Strategic Housing Leads.				
<b>Temporary:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.529	0.529	0.000	0.000	1.058
<b>Decisions needed to deliver the budgeted savings</b>	In line with Lancashire's Care and Support Strategy 2018 – 2025, and the Council's recently approved Vision document, entitled "Care, Support and Wellbeing of Adults in Lancashire"			
	1. Approve the 'Vision' to modernise the provision of supported housing and offer more flat schemes with a recognition that many people's expectations are to live			



	<p>in their own self-contained accommodation with their own front door with good access to community facilities.</p> <ol style="list-style-type: none"> <li>2. Approve the approach to decommission some 1,2 and 3 person tenancies for those people to move to flat schemes</li> <li>3. Approve the establishment of a social work team, specific to this modernisation work</li> <li>4. Approve the establishment of 2 Grade 12 posts/Consultancy Equivalent for 2 years as Strategic Leads for this work.</li> <li>5. Approve an under occupancy policy to manage the significant voids in supported housing</li> </ol>
<p><b>Impact upon service, other LCC services, service users and external partners</b></p>	<ul style="list-style-type: none"> <li>• <b>Service</b> – the vast majority of supported housing is currently represented by shared households. This proposal will change the balance of provision by providing more flat scheme accommodation. The number of shared houses will reduce, particularly those for less than 4 people and single tenancies.</li> </ul> <p>Alongside this, the proposal will look at how night support is delivered across all supported housing types, with a view to reducing or removing staff support in some settings and replacing with more flexible and innovative methods, e.g. telecare assistive technology, roving night support.</p> <ul style="list-style-type: none"> <li>• <b>Citizens with disabilities or mental health needs</b> – The development of new flat scheme accommodation will present opportunities for people to move out of their current setting to new purpose built flat schemes which would offer cost savings to the Council. This could be from residential care or from shared housing. Service users will have more choice about where they live. The following priority groups have been identified : <ol style="list-style-type: none"> <li>a) Individuals currently supported in unsuitable or high cost single tenancies</li> <li>b) Individuals currently supported in 1/2/3 person tenancies where there are higher support costs (compared to flat schemes) and/or compatibility issues between service users.</li> <li>c) Individuals in under occupied properties to reduce the replacement of housing benefit revenues due to vacancies and support void costs. Implementing the use of the under occupancy policy where appropriate.</li> <li>d) Individuals currently supported in residential care who may want to return to Lancashire if placed out of County or may be unaware of alternative models of support available</li> <li>e) Individuals with urgent risks &amp; safeguarding issues</li> </ol> </li> </ul>

	<p>f) New demand e.g. young people transitioning from children's services</p> <p>In some settings (typically shared housing), overnight staff presence will reduce or be removed altogether if there is no identified need or where the needs can be met by other means, e.g. telecare, roving night support.</p> <ul style="list-style-type: none"> <li>• <b>External Partners</b> - to work with care and support providers and housing providers/developers to build a range of high quality Housing with Care and Support schemes across Lancashire and to work with current providers to identify more efficient and effective ways of delivering support.</li> </ul>
<p><b>Actions needed to deliver the service change</b></p>	<ul style="list-style-type: none"> <li>• A strategic review of current flat schemes to identify gaps in provision across the county.</li> <li>• Identify service users in residential care and shared housing (in particular, 1, 2 and 3 person tenancies) to move to flat scheme accommodation</li> <li>• Produce a specification, listing key requirements for new flat schemes with regard to factors such as size and location.</li> <li>• Develop a Supported Housing approved list of care and support providers meeting a quality threshold.</li> <li>• Remodelling of some existing flat schemes and enabling them to realise their full potential, including changing how placements are commissioned with a much more transparent and equitable model.</li> <li>• Change the way supported housing is commissioned, moving to a model whereby all service users contribute equally towards background support. Apply this model to all new and existing schemes</li> <li>• Having an open dialogue with district councils and housing developers to identify suitable sites for new build schemes</li> <li>• Establish a separate and distinct social work team to manage and facilitate service users moving to new flat schemes. This will involve service users moving from residential care and shared housing.</li> <li>• Develop a decommissioning plan for housing which is of poor quality or unsuitable to meet people's needs and where there are long standing vacancies, in line with the Under occupancy Policy</li> <li>• Only commission residential care as a last resort</li> <li>• Map current night support look for patterns and close proximity. Night time support is provided on an individual house basis but there is an opportunity to look more strategically at sharing night time support between a number of houses in close proximity – either with the same provider or with different providers.</li> </ul>

	<ul style="list-style-type: none"> <li>• Improve access to technology e.g. telecare, big button press system to alert workers and or other monitoring/reporting systems for night time support</li> <li>• Look to provider innovation around proposals for night time support. Providers have volunteered proposals on an ad hoc basis around reductions in support. This needs to be formally communicated to the provider market and introduce incentives for providers to come forward with proposals.</li> </ul>
<b>Is external consultation required</b>	No

<b>What are the risks associated with this change and how will they be mitigated</b>	<b>Risk</b>	<b>Mitigation</b>
	1. It is intended that housing providers/social landlords will invest and build the flat schemes with no financial contribution from the Council, either for build costs or for payment of rent for vacancies. The risk therefore is that this is unacceptable for developers to proceed.	Research with other Councils and preliminary discussions with local housing providers has shown housing providers are fully prepared to accept the financial risks when working in partnership with the Council.
	2. People do not move from their current setting into new flat schemes including resistance to change from service users, families, etc	In order to maximise the accommodation options for people, this will require a partnership approach from service users, carers, service providers and statutory agencies and so will require a communication strategy that ensures the correct people are fully informed and enabled to have a voice during this period of change. Also, the impact to people who could potentially be identified as suitable for moving into flat schemes would need to be addressed. Advocacy services will be required for some service users and best interest decisions may need to be taken which would have implications for the length of time this would take.

		A tenant will not give notice on a tenancy until a suitable alternative has been identified and a timescale for moving agreed with all parties.
	<p>3. National guidance, e.g. 'Building the Right Home' guidance in 2016 states that</p> <p><i>"Housing with 6 or more people can quickly become institutionalised and Commissioners should carefully consider the service design when creating schemes of multiple units within close proximity to ensure the service enables the tenants to have control over where they live and who provides their support"</i></p> <p>Size of schemes is also reflected in the national guidance 'Building the Right Support' issued in 2015 and endorsed by the Care Quality Commission who work to these guidelines when dealing with registration requirements of supported housing schemes.</p>	Having ongoing discussions with CQC. Also, research with other Councils has shown that if the scheme is built with the correct ethos in line with national guidance then larger schemes are acceptable.
	4. The anticipated savings are not realised due to unexpected costs	Being clear at the outset around the model of support for background and individual support and having signed agreements with providers around issues such as no financial responsibility for vacancies.
	5. If there are any mental capacity issues around a proposed move to a flat scheme, this could involve the Court of Protection and lengthen timescales which may then impact on keeping the vacancy open	Involving mediation/advocacy at an early stage may prevent the need for more formal proceedings

	until the issues are resolved	
	6. Lack of staff resources to carry out assessments and facilitate moves to flat scheme accommodation	Recruitment of a specific social work team with a defined remit for this project
	7. Legal implications in relation to Housing Management Agreements (HMA) or Support Contracts - In some circumstances there may be legally binding obligations within an HMA or a Support Contract which prevent the Local Authority or Support Provider from ending the HMA early.	This should not prevent consideration being given to the suitability of an individual to remain in a tenancy if it does not meet their needs. The Terms of each HMA will be subject to review and where possible an HMA will be renegotiated with the Housing Provider to ensure that it is fit for purpose.
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>		Yes

**Reference – SC511**

<b>Service Name: Learning Disability &amp; Autism - Enablement</b>	Enablement			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£152.043m			
<b>Income 2018/19</b>	£12.688m			
<b>Net budget 2018/19 (Net budget 2017/18*)</b>	£139.375m			
<b>*Total LDA commissioned care within pooled fund budget</b>				
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.579	-0.785	-0.009	-1.373
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>Recurrent:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.540	0.000	0.540
<i>*Please note that this is an extension to the funding of current staff – therefore no FTE is included.</i>				
<b>Decisions needed to deliver the budgeted savings</b>	Funding for Enablement Service to continue to 2022/23. This service allows people to live more independently.			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>This service will increase independence and mean less reliance on formal paid care and thus savings from reduction in packages of care.</p> <p>It may reduce income for some providers of services to this group, but it will also free up some workforce capacity.</p> <p>It will increase esteem and well-being of those benefitting from the service, but in the short run it may cause some anxieties among carers and family</p>			
<b>Actions needed to deliver the service change</b>	This is an extension of an existing fully staffed service to deliver further savings. Consultation and communication took place prior to the implementation of the service with			

	providers as part of the learning disability passport to independence programme.
<b>Is external consultation required</b>	No
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>That the numbers and volumes of referrals are not sufficient or that the level of average package reduction is not as predicted.</p> <p>The mitigation is that demand projections for transition to adult services have been undertaken. That the current findings are that there opportunities to increase independence in adults and reduce packages of care by the enablement approach.</p>
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	No, one is not required, this is an extension of budget option ASC006 Cabinet approved in September 2017.

**Reference – SC512**

<b>Service Name: Learning Disability and Autism</b>		Acceleration of Disability Service Supported Living Remodelling		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£152.043m		
<b>Income 2018/19</b>		£12.688m		
<b>Net budget 2018/19</b>		£139.375m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-0.236	-0.242	0.000	-0.478
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
11.00	0.00	-11.00	0.000	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.432	0.432	0.000	0.000	0.864
<b>Decisions needed to deliver the budgeted savings</b>	<p>Cabinet approved in September 2017 an option to remodel the in house Disability supported living service.</p> <p>The decision required is to bring forward the savings profiled to be achieved in 2021/22 so they are completed by April 2021 with additional funding to increase the resources for the remodelling social work team to undertake this review work.</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>Adults with learning disabilities will almost certainly continue to receive support to live in their own homes. However, undertaking individual reviews may lead to other housing and support options being identified and chosen by the individual or agreed through a 'best interest decision'.</p> <p>There will be reductions in the overall size of the social care workforce if packages of care reduce and providers of the services will have to restructure their workforce accordingly.</p>			



<b>Actions needed to deliver the service change</b>	<ul style="list-style-type: none"> <li>• Learning Disability and Autism Remodelling Team allocation of staff to undertake assessment and review work following already agreed processes.</li> <li>• Work with HR to plan for the workforce changes</li> </ul>	
<b>Is external consultation required</b>	No	
<b>What are the risks associated with this change and how will they be mitigated</b>	<ul style="list-style-type: none"> <li>• The work to remodel tenancies will be at a faster pace and therefore the workforce reductions will occur earlier than planned and will be higher in the period than if spread out over the original 3 and half year remodelling programme. Staffing reductions will be mitigated by vacancy management.</li> <li>• Alternative housing options to align with the new vision for housing may not have developed at the faster pace needed to offer alternatives, where this is identified as being desirable. This will be mitigated by planning for the implementation of the housing and support strategy and phasing of the remodelling programme.</li> <li>• Any decisions regarding a change of accommodation may involve the Court of Protection who need to ensure decisions are made in the best interests of the people to be supported. This can delay progress, but can also ensure that decision making is subject to external checks which are helpful for protecting the interests of vulnerable people</li> </ul>	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Yes, one was completed for the option approved in 2017	

**Reference – SC513**

<b>Service Name: Disability Service</b>	Lancashire Care Foundation Trust (LCFT) supported living scheme transfer to LCCs Disability Service			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£152.043m			
<b>Income 2018/19</b>	£12.668m			
<b>Net budget 2018/19</b>	£139.375m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	-1.000	0.000	0.000	<b>-1.000</b>
<b>FTE implications:</b>				
<b>Recurrent:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
1.00	0.000	0.00	0.00	1.00
<b>Temporary:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
1.00	-1.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>Recurrent:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.052	0.000	0.000	0.000	0.052
<b>Temporary:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.058	0.030	0.000	0.000	0.088
Permanent manager post in Preston Grade 10 Additional Management Support (Grade 11 for 18 months) to oversee the transfer and remodelling of LCFT transfer and remodelling of all LCC Supported living Schemes				
<b>Decisions needed to deliver the budgeted savings</b>	Approve the transfer of the Care and Support in Shared Households service from Lancashire Care Foundation Trust to Lancashire County Council's Adult Disability Service.  Cabinet in November approved an additional saving of £0.499m that is included as part of this saving proposal.			

<p><b>Impact upon service, other LCC services, service users and external partners</b></p>	<p>The transfer represents an opportunity to progress the remodelling of the service, with a view to reducing the risk associated with vacancy liabilities for care and rent by implementing the recommendations made by the County Council's Remodelling Team.</p> <p>There is an expectation that Lancashire Care Foundation Trust would achieve some of the remodelling recommendations prior to transfer.</p> <p>Significant support from internal services to transfer current NHS staff to the county council.</p> <p>Further support relating to Transfer of Undertakings (Protection of Employment) Regulations 2006(TUPE) and pension administration after transfer.</p> <p>Service users and families will have a change of provider and need to be consulted appropriately.</p> <p>Additional service to the existing in-house Disability Service which will have the experience and capacity to manage and will have the additional benefit of being able to include in a remodelling programme.</p>
<p><b>Actions needed to deliver the service change</b></p>	<ul style="list-style-type: none"> <li>• Contract ends 31<sup>st</sup> March 2019 with LCFT. The County Council has formally notified Lancashire Care Foundation Trust of its intention to transfer the service to the County Council's Disability Service. The county council has contracted for these services under the NHS Standard Contract 2017/2018 and 2018/2019. This contract comes to an end on 31 March 2019. The county council will be required to comply with any exit arrangements within the contract terms and with applicable TUPE employment and pension's legislation.</li> <li>• Changes to Lancashire County Council systems for payroll for different terms and conditions.</li> <li>• Review of housing management agreements with housing associations.</li> <li>• Registration with Care Quality Commission to establish new service in Preston and deregister with NHS.</li> <li>•</li> </ul>
<p><b>Is external consultation required</b></p>	<p>No</p>
<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<p>TUPE liabilities including pension could be greater than anticipated. Close cooperation from LCFT will be necessary</p> <p>Tight timescale to complete given the ending of the contract is in March 2019 alongside management of other multiple savings programmes concurrently, and so</p>

	<p>dedicated project management and other leadership capacity will be a priority</p> <p>Concerns of families/ service users may be significant</p> <p>Mitigation – full programme management and plan to be developed, joint working to deliver mobilisation plan with LCFT including communication strategy for families and people receiving a service.</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b></p>	<p>Not required</p>

**Reference – SC518**

<b>Service Name:</b>	Adult Social Care – Reassessing Direct Payments			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£105.227m			
<b>Income 2018/19</b>	n/a			
<b>Net budget 2018/19</b>	£105.227m			
<i>The budget above represents the whole of Adults social care direct payments commissioned spend.</i>				
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-1.000	-1.000	-0.500	0.000	-2.500
<b>FTE implications:</b>				
<b>Recurrent:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
2.00	0.00	0.00	0.00	2.00
<b>Investment Required (Invest to Save):</b>				
<b>Recurrent:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.059	0.000	0.000	0.000	0.059
<b>Decisions needed to deliver the budgeted savings</b>	Agree for the Direct Payment policy to be changed to reduce surplus weeks' money allowed as a contingency from 10 weeks to 4 weeks.			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>Service users who receive Direct Payment may feel the new arrangements offer them less flexibility.</p> <p>Direct Payment accounts will be monitored to ensure prompt clawback of surpluses, with referral to social care for reassessment where surpluses are likely to be recurrent.</p> <p>Agencies working to support Direct Payment recipient will need to be informed of these proposals so they can provide accurate advice.</p>			
<b>Actions needed to deliver the service change</b>	Increase the frequency of social work reassessment activity to identify where personal budget amounts are in excess of the proven requirements of service users.			
<b>Is external consultation required</b>	No			

<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<p>There may be reduced flexibility in personal budgets available to some service users for contingencies.</p> <p>A number of weeks' contingency budget will remain with the service user to meet routine volatility in support needs and associated costs. This number will be subject to review but it is likely to be 4 weeks.</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b> <a href="http://intranet.ad.lancscc.net/az/equality-analysis/">http://intranet.ad.lancscc.net/az/equality-analysis/</a></p>	<p>Not required</p>

**Reference – SC520**

<b>Service Name:</b>	Adult Social Care – Promoting Direct Debit			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2019/20			
<b>Gross budget 2018/19</b>	£432.620m			
<b>Income 2018/19</b>	£110.086m			
<b>Net budget 2018/19</b>	£322.533m			
<i>This budget represents the commissioned packages of care within Adult social care for all client groups</i>				
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.500	-0.500	0.000	0.000	-1.000
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>Temporary:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.040	0.000	0.000	0.000	<b>0.040</b>
<b>Decisions needed to deliver the budgeted savings</b>	Agree for the service to actively promote direct debit as the primary source of payment for adult social care.			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>For 56% of service users' direct debit is already the chosen method of payment. Achieving even greater take up will make a minor reduction in transaction costs, but more significant will be the improvements in income collection. This is because securing upfront payment commitments through the agreement of a direct debit mandate is likely to reduce the overall amount of debt that currently becomes uncollectable.</p> <p>This will require more attention in explaining the benefits of this method of payment, particularly for the individual and their family, at each relevant point in the care arrangement process.</p>			
<b>Actions needed to deliver the service change</b>	Improved and effective promotion of direct debit as the method of payment.			
<b>Is external consultation required</b>	No			

<p><b>What are the risks associated with this change and how will they be mitigated</b></p>	<p>There is a risk that the performance outcomes cannot adequately be delivered.</p> <p>The uptake of direct debits will be monitored to ensure that service users are consistently given the option to pay by direct debit at each stage.</p>
<p><b>Is an Equality Analysis required and, if so, has one been undertaken?</b> <a href="http://intranet.ad.lancscc.net/az/equality-analysis/">http://intranet.ad.lancscc.net/az/equality-analysis/</a></p>	<p>Not required</p>



**Reference – SC521**

<b>Service Name:</b>		Adult Social Care – Residential Care Status		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£432.620m		
<b>Income 2018/19</b>		£110.086m		
<b>Net budget 2018/19</b>		£322.533m		
<i>This budget represents the commissioned packages of care within Adult social care for all client groups</i>				
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.700	0.000	0.000	0.000	-0.700
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	<p>Agree a change in the council's procedures to bring them into line with the Care Act's Care and Support Guidance, so that short term residential care is defined as up to 8 weeks.</p> <p>If a person is in residential care for longer than 8 weeks, unless there are exceptional circumstances, they would be deemed to be in long term care, and charged as they would be for a long term care placement.</p> <p>This does not affect those placements commissioned as "temporary" as defined by the Care Act. Temporary care is defined as up to 52 weeks. If a person is in residential care for longer than 52 weeks, unless there are exceptional circumstances, they would be deemed to be in long term care, and charged as they would be for a long term care placement.</p>			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>Currently, around 180 service users are with care commissioned as short term residential care, but have been in residential care for longer than 8 weeks. Being charged as a long term resident may result in an increase in charge but this will be dependent on the person's individual circumstances. An increased charge will not be the outcome in all circumstances</p>			

	<p>There are no service users currently with care commissioned as temporary residential care.</p> <p>There may be implications for the benefits and other allowances that individuals receive.</p>
<b>Actions needed to deliver the service change</b>	<p>A long term placement Care Package for the service user will be created at the point where a short term residential care placement exceeds 8 weeks, and the short term placement will be ceased.</p> <p>A long term placement Care Package for the service user will be created at the point where a temporary residential care placement exceeds 52 weeks, and the temporary placement will be ceased.</p> <p>Publicity material for public and partners and staff</p> <p>Staff training</p>
<b>Is external consultation required</b>	No
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>Service users may choose to leave residential care, due to increased assessed charges. However all charges will be in compliance with the Care Act 2014 charging regulations.</p> <p>There may be increased pressures on home care services.</p>
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b> <a href="http://intranet.ad.lancscc.net/az/equality-analysis/">http://intranet.ad.lancscc.net/az/equality-analysis/</a>	Yes

**Reference – SC602**

<b>Service Name:</b>		Children & Family Wellbeing (CFW)		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£18.233m		
<b>Income 2018/19</b>		£3.660m		
<b>Net budget 2018/19</b>		£14.573m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.111	0.000	0.000	0.000	-0.111
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Approval to cease the Small Grant Scheme. The specific budget for this was previously removed (£111k) from the Children and Family Wellbeing service revenue budget in April 2015. The scheme has since been funded from in year underspends against other budgets within the service.			
<b>Impact upon service, other LCC services, service users and external partners</b>	<p>The review has identified a year on year decline in the number of applications received from both individuals and Voluntary, Community &amp; Faith Sector (VCFS) organisations with the budget consistently underspent despite activity to promote the scheme. In 2017/18 only 41% of the available budget was spent. There is evidence of a further reduction in applications in the current financial year.</p> <p>This option will allow a funding saving year on year of £111k and save staff time and cost co-ordinating the scheme.</p> <p>The potential negative impact of ceasing the scheme is,</p> <ul style="list-style-type: none"> <li>• Young People may feel unsupported/unable to acquire funding</li> <li>• VCFS would need to seek alternative funding sources</li> <li>•</li> </ul>			

<b>Actions needed to deliver the service change</b>	Finance adjustment (reduction) to budget. Communications to public and VCFS	
<b>Is external consultation required</b>	No	
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>The risks associated with this option are considered to be minimal given the evidence of yearly decline in applications for the grant scheme.</p> <p>However, the decision has potential to be unpopular and young people may feel unsupported/unable to acquire funding and the Voluntary, Community and Faith sector would need to seek alternative funding sources.</p>	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	Yes	

**Reference – SC605**

<b>Service Name:</b>		Bus Network Education Resource		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2019/20		
<b>Gross budget 2018/19</b>		£0.028m		
<b>Income 2018/19</b>		£0.000m		
<b>Net budget 2018/19</b>		£0.028m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.028	0.000	0.000	0.000	-0.028
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>		Approve removal of non-staff costs associated with the 2 PCSOs. The funding of the PCSOs has already been ceased recently.		
<b>Impact upon service, other LCC services, service users and external partners</b>		The likely impact of budget removal: <ul style="list-style-type: none"> <li>Spend on third party supplies and services in relation to crime and disorder on the bus network, further to cessation of PCSO funding, resulting in less communications activity to address anti-social behaviour.</li> </ul>		
<b>Actions needed to deliver the service change</b>		<ul style="list-style-type: none"> <li>Agree budget removal and cease expenditure</li> </ul>		
<b>Is external consultation required</b>		No		
<b>What are the risks associated with this change and how will they be mitigated</b>		<ul style="list-style-type: none"> <li>With the cessation of bus network specific resources, we will rely on the general resources of the bus operators and crime prevention activity of the constabulary.</li> </ul>		
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>				not required

**Reference – SC616**

<b>Service Name:</b>		Patient Safety and Safeguarding		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2020/21		
<b>Gross budget 2018/19</b>		£5.338m		
<b>Income 2018/19</b>		£0.587m		
<b>Net budget 2018/19</b>		£4.751m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.115	0.000	0.000	0.000	-0.115
<b>FTE implications: None</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Remove additional funding support for the Healthwatch contract. The contract will be reduced to the value of the grant which, for 19/20, is estimated at £319k. This generates a saving of £115k from the current budget of £433k.			
<b>Impact upon service, other LCC services, service users and external partners</b>	There will be a reduced independent service for citizens of Lancashire. The Healthwatch service enables Lancashire citizens to have a voice in how services are run and also to be able to raise concerns about local services. The Healthwatch role is statutory.			
<b>Actions needed to deliver the service change</b>	Consultation with legal services, procurement and Healthwatch to develop next steps in relation to contract termination and re-tendering the service.			
<b>Is external consultation required</b>	No external consultation is required.			
<b>What are the risks associated with this change and how will they be mitigated</b>	The risks on removal of the contract would mean less resource to manage the service and subsequently a reputational risk may occur.			
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	No			

**Reference – SC801**

<b>Service Name:</b>		Planning and Environment (environmental information charges)		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2021/22		
<b>Gross budget 2018/19</b>		£4.506m		
<b>Income 2018/19</b>		£2.880m		
<b>Net budget 2018/19</b>		£1.626m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.015	0.000	0.000	0.000	-0.015
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	To agree to increase the charge for environmental information held by the Council.			
<b>Impact upon service, other LCC services, service users and external partners</b>	No impact on Lancashire County Council services. Cost increases for organisations wanting environmental information. 69% of charges are to the private sector, mainly to support their planning applications and as such the charges form only a small element of a developer's planning costs.			
<b>Actions needed to deliver the service change</b>	Increase charges from 2019/20			
<b>Is external consultation required</b>	No			
<b>What are the risks associated with this change and how will they be mitigated</b>	Those seeking environmental information may try and obtain it from elsewhere or attempt to submit planning applications to district councils without it, reducing income for the service.			
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>				Not required

**Reference – SC805**

<b>Service Name:</b>	Economic Development - Increase Income from Lancashire County Developments Limited (Lancashire Business Park)			
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>	2021/22			
<b>Gross budget 2018/19</b>	£6.066m			
<b>Income 2018/19</b>	£4.068m			
<b>Net budget 2018/19</b>	£1.998m			
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000	0.000	-0.250	-0.500	-0.750
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00	0.00	0.00	0.00	0.00
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000*	0.000	0.000	0.000	0.000
<i>* Additional income comes as the result of pursuing new build options at Lancashire Business Park but this will be financed by Lancashire County Developments Limited.</i>				
<b>Decisions needed to deliver the budgeted savings</b>	Agree to increase income from Lancashire Business Park. This will require approval from the Lancashire County Developments Limited Board.			
<b>Impact upon service, other LCC services, service users and external partners</b>	Minimal – potential operational inconvenience of other LBP tenants during construction phase.			
<b>Actions needed to deliver the service change</b>	<p>Lancashire Business Park is a key source of income/profit generation that supports the delivery of Lancashire County Council's economic development priorities.</p> <p>Progress options for the development of two vacant plots at Lancashire Business Park to provide new business accommodation units for rent. Initial Market Review and Property Strategy Report has been received from Lambert Smith Hampton indicating the size and combination of units to build, indicative rental values and development costs.</p> <p>Strong market demand for business accommodation proposed.</p>			



<b>Is external consultation required</b>	No	
<b>What are the risks associated with this change and how will they be mitigated</b>	<p>New build might fail to attract tenants immediately, though evidence of strong and growing market demand.</p> <p>Mitigation:</p> <ul style="list-style-type: none"> <li>- Initial detailed market review</li> <li>- Phased development of the two sites</li> <li>- Market from plan, once complete</li> </ul>	
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>	not required	

**Reference – SC811**

<b>Service Name:</b>		Economic Development		
<b>Which 'start year' does this option relate to 2019/20, 2020/21, 2021/22 or 2022/23</b>		2020/21		
<b>Gross budget 2018/19</b>		£6.066m		
<b>Income 2018/19</b>		£4.068m		
<b>Net budget 2018/19</b>		£1.998m		
<b>Budget Change and Profiling (discrete year):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
-0.060	-0.100	-0.200	-0.300	-0.660
<b>FTE implications:</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
0.00*	0.00	0.00	0.00	0.00
* If current funding levels can be sustained from a wider base of contributors.				
<b>Investment Required (Invest to Save):</b>				
<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
0.000*	0.000	0.000	0.000	0.000
<b>Decisions needed to deliver the budgeted savings</b>	Decrease LCC contributions to Marketing Lancashire, Lancashire Enterprise Partnership and Lancashire Growth Hub and ask the unitary and district councils to match LCCs contribution.			
<b>Impact upon service, other LCC services, service users and external partners</b>	The proposal would seek to secure 50% of the costs for these shared sub-regional services from Lancashire's unitary authorities and potentially district councils.			
<b>Actions needed to deliver the service change</b>	Agreement from our partners			
<b>Is external consultation required</b>	No, but agreement with local authorities is required.			
<b>What are the risks associated with this change and how will they be mitigated</b>	Other partners refuse to accept shared costs impacting on our sub regional/national profile.			
<b>Is an Equality Analysis required and, if so, has one been undertaken?</b>				not required

This message has been sent on behalf of Mark Nolan, Clerk to the Authority

Dear Ms S Parsonage

To enable the revenue budget consultation to take place, please find below the initial draft budget. Please note that the revenue budget as this stage has not been considered by the Lancashire Combined Fire Authority.

## Information

In line with the Authority's objective to deliver affordable, value for money services the Authority's Budget Strategy remains one of:-

- Maintaining future council tax increases at reasonable levels, reducing if possible;
- Continuing to deliver efficiencies in line with targets;
- Continuing to invest in improvements in service delivery;
- Continuing to invest in improving facilities;
- Setting a robust budget;
- Maintaining an adequate level of reserves.

## Draft Budget

In order to determine the future budget requirement, the Authority has used the approved 2018/19 budget as a starting point, and has uplifted this for inflation and other known changes and pressures, to arrive at a draft budgetary requirement, prior to utilising any reserves, as set out below:-

	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
Preceding Years Draft Net Budget Requirement	54.8	56.5	58.2	59.6	61.2
Add back previous years unidentified savings target	0.3	-	-	-	-
Add back previous years Vacancy Factors	1.7	0.9	1.1	1.1	1.0
Inflation	0.9	1.4	1.5	1.5	1.6
Other Pay Pressures	0.4	0.5	0.2	(0.1)	(0.1)
Committed Variations	(0.1)	0.1	-	-	-
Growth	0.3	0.1	-	-	-
Efficiency Savings	(0.8)	(0.3)	(0.3)	-	-
Gross Budget Requirement	57.4	59.3	60.7	62.2	63.6
Vacancy Factors	(0.9)	(1.1)	(1.1)	(1.0)	(1.0)
Net Budget Requirement	56.5	58.2	59.6	61.2	62.6

## **Inflation**

The increased costs take account of anticipated pay awards at 2% in 19/20 and 2.5% thereafter as well as non-pay inflation.

Each 1% pay award in excess of the above assumptions equates to an additional cost of £0.4m per year.

The current FBU pay claim is for a 17% increase, significantly higher than the budgeted allowance, and in order to give a flavour for the potential impact of this, a 5% pay award would add in a further £1.0m on an annual basis year compared with the budgeted allowance.

## **Other Pay Pressure**

The cost increase reflect changes to pension contributions in respect of the FF pension's scheme, which has identified an average increase of 12.6% in employer contribution rate, this is due to combination of changing factors, the most significant of which is the revised discount rate used in unfunded public sector pension schemes will change. The Government has allowed an additional £2.6m of funding in 19/20 to offset some of this pressure (which is reflected in the cost pressure above). The additional cost pressure in future years will be considered as part of the next Spending Review, hence for medium term planning we have assumed that the additional £2.6m grant will continue.

No allowance has been made for any increased costs associated with the DCP crewing system and in particular any changes to the pensionability of the allowance. It should be noted that moving to a 30% pensionable allowance is likely to increase costs by £150k.

## **Committed Variations**

Committed variations are those items which are unavoidable, or which arise from previously agreed policy decisions, the most significant of which is a reduction in the budget for PPE, following the roll out of new Helmets and Gloves in 18/19.

## **Growth**

The budget allows for an increase in the number of Home Fire Safety Checks/Safe & Well Visits and associated costs.

An additional operational equipment 'R&D' budget has been included in the revenue budget to facilitate the introduction of new equipment. This has previously been covered by underspends within the department revenue budget (which have now been stripped out as part of savings targets) or within the capital programme where a specific 'Future Fire Fighting Fund' was created to cover such items, but which has now been fully committed

## **Efficiency Savings**

The Authority has a good track record of delivering efficiency savings, delivering over £18m since 2011. The budget allows for a further £0.8m of savings relating to a reduction in the number of recruits and the removal of several temporary posts.

## **Vacancy Factors**

The Authority continues to hold vacancies, based on current staffing profiles and anticipated recruitment numbers, most notably on the Retained Duty System.

## Net Budget Requirement

As set out above the overall net budget requirement for each year is as follows:-

	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
Draft Budget Requirement	56.5	58.2	59.6	61.2	62.6
Budget (Decrease)/Increase	3.2%	3.0%	2.4%	2.6%	2.4%

## Grant Funding

2019/20 is the final year of the four year settlement, hence next year's funding is based on figures previously identified:-

		Reduction	
2015/16	£29.4m		
2016/17	£27.6m	£1.8m	6.1%
2017/18	£25.3m	£2.3m	8.3%
2018/19	£24.3m	£1.0m	4.0%
2019/20	£23.8m	£0.5m	2.0%
		£5.5m	18.7%

In addition we have assumed that both Section 31 Grant - Business Rates Capping and Business Rates collection fund deficit remain at their current levels, these assumptions will be refined once billing authorities provide actual numbers.

Funding in 2020 and beyond will be determined by the Governments overall budget and the 2019 Spending Review. The Budget will set overall total for public sector spending which will then be allocated out to departments as part of the Spending Review. Until such time as the outcome of this is known it is impossible to accurately predict future funding levels, however the recent budget included some indicators of Governments current thinking:-

- The Chancellor said that austerity was coming to an end
- The Chancellor told the Today programme that:-
  - Public spending will go up by 1.2%, but most of that will go to the health service
  - Once you take out the commitment made to health it gives a flat real spending available for all other departments
  - He did not deny that some departments could face cuts but that the other option was that everybody would get a 0% increase in funding once inflation was taken into account

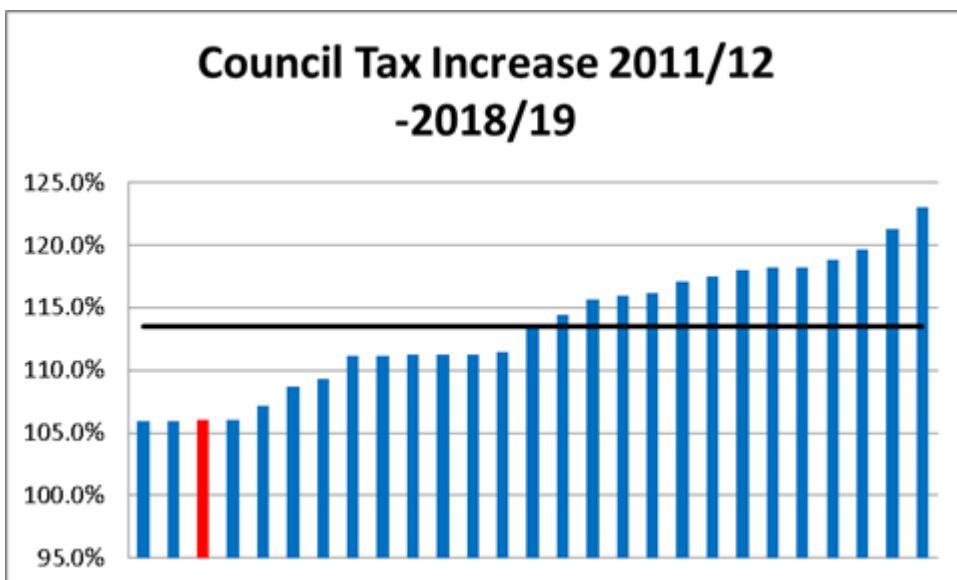
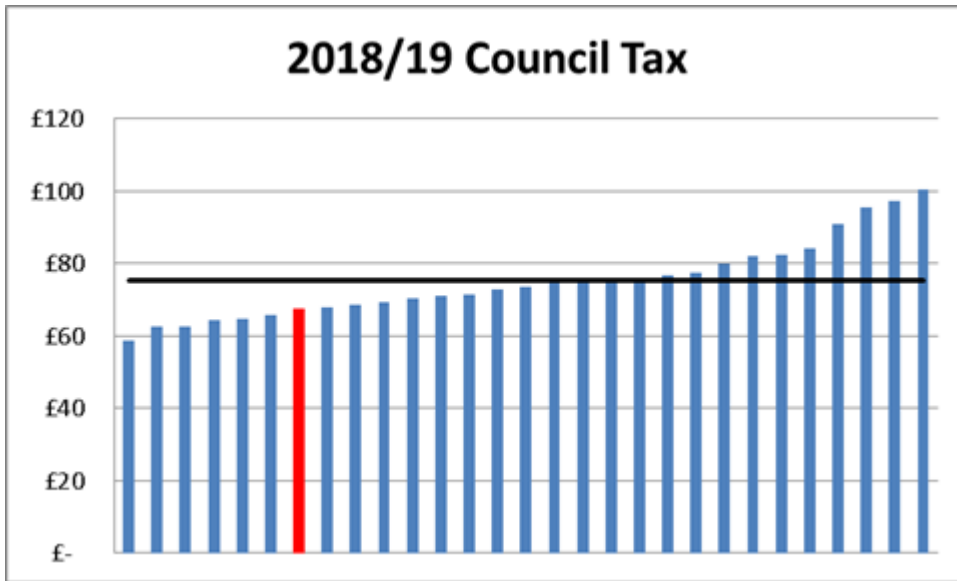
Based on that we have assumed that the settlement will be frozen throughout the 4 year period, which is reflective of the uncertainty in terms of any distribution of funding.

In addition to this uncertainty there are also questions as to how the Fair Funding review will impact the Authority and what, if any, impact the more to 75% retention of business rates in April 2020 will have (The Government has indicated that this change should be cost neutral). There is also a possibility of a further change with the potential to move to 100% business rate retention (again we would expect this to be cost neutral).

**Council Tax**

In setting council tax the Authority aims to balance the public’s requirement for our services with the cost of providing this. As such the underlying principle of any increase in council tax is that this must be seen as reasonable within the context of service provision.

The Authority became a precepting authority on 1 April 2004. Since this our council tax increases have been limited by either capping or the current referendum thresholds set by the Government. As such our council tax increases and hence budget increases have been constrained by these and our desire to deliver value for money services. Our council tax of £67.46 is still below the national average of £75.15, and our increase of just 6.0% since 2010/11 compares with an average increase of 13.5% over the same period and is the joint lowest of any Fire Authority.



The 2019/20 draft Local Government Finance Settlement maintains the council tax referendum principle of any increase in excess of 3% triggering a referendum. It is not clear whether this 3% limit will be retained in future years or whether it will revert to the previous 2% referendum principle.

## Council Tax-Base

We have assumed that the council tax base continues to grow at 1.7% each year, in line with previous increases, and that there will be a £400k surplus on the council tax collection fund, these assumptions will be refined once billing authorities provide actual numbers.

## Draft Council Tax Requirements

	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
Draft Budget Requirement	56.5	58.2	59.6	61.2	62.6
Less Total Grant	(23.8)	(23.8)	(23.8)	(23.8)	(23.8)
Less Business Rates Adjustment	(1.0)	(0.9)	(0.9)	(0.9)	(0.9)
Less Council Tax Collection Surplus	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Equals Precept	31.3	33.1	34.5	36.1	37.5
Estimated Number of Band D equivalent properties	439,869	447,483	455,229	463,110	471,127
Equates to Council Tax Band D Property	£71.11	£74.00	£75.86	£77.89	£79.67
Increase in Council Tax	5.4%	4.1%	2.5%	2.7%	2.3%

(For information, a 1% change to the council tax equates to £0.3m.)

As can be seen the increase in 19/20 and 20/21 are both above the referendum limit. (Although if we reduce the requirement in 19/20 it will result in a bigger increase in future years.)

As in previous years we have modelled different scenarios based on council tax increases:-

- 3% increase in council tax each year
- 3% increase in council tax in 19/20 followed by 2% in each subsequent year
- 2% increase in council tax each year
- 1% increase in council tax each year
- Council tax freeze each year

The following table sets out the funding gap based on these:-

	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
3% increase in council tax each year	(0.7)	(1.1)	(1.0)	(0.9)	(0.7)
3% increase in council tax in 19/20 followed by 2% in each subsequent year	(0.7)	(1.4)	(1.6)	(1.9)	(2.1)
2% increase in council tax each year	(1.0)	(1.7)	(2.0)	(2.3)	(2.5)
1% increase in council tax each year	(1.3)	(2.3)	(2.9)	(3.6)	(4.1)
Council tax freeze each year	(1.6)	(2.9)	(3.8)	(4.8)	(5.8)

## Reserves

A reasonable level of reserves is needed to provide an overall safety net against unforeseen circumstances, such as levels of inflation/pay awards in excess of budget provision, unanticipated expenditure on major incidents, and other “demand led” pressures, such as

increased pension costs, additional costs associated with national projects, etc. which cannot be contained within the base budget. In addition, they also enable the Authority to provide for expenditure, which was not planned at the time the budget was approved, but which the Authority now wishes to implement.

As such a review of the strategic, operational and financial risk facing the Authority is undertaken each year to identify an appropriate level of reserves to hold, this incorporates issues such as higher than anticipated pay awards, increased number of ill health retirements, etc.

Whilst we have not yet had time to carry out an accurate review of future reserve requirements, we anticipate a minimum reserve requirement being broadly consistent with last year's figure of £2.5m (although it may increase slightly reflecting the greater uncertainty surrounding future funding and pay and pension inflations). We anticipate holding £7.8m at the end of the current year, providing scope to utilise approx. £5m of reserves. As such they could be used to meet the funding gap across in 19/20, as well as offset some of the gap in future years.

### Summary Council Tax options 2019/20

Based on the scenarios outlined the council tax options for 2019/20 are as follows:-

	3%	2%	1%	Freeze
	£m	£m	£m	£m
Gross Budget Requirement	56.5	56.5	56.5	56.5
Utilisation of reserves/additional savings	(0.7)	(1.0)	(1.3)	(1.6)
Final Budget Requirement	55.8	55.5	55.2	54.9
Less Total Grant	(23.8)	(23.8)	(23.8)	(23.8)
Less Business Rates Adjustment	(0.9)	(0.9)	(0.9)	(0.9)
Less Council Tax Collection Surplus	(0.4)	(0.4)	(0.4)	(0.4)
Equals Precept	30.6	30.3	30.0	29.7
Estimated Number of Band D equivalent properties	439,869	439,869	439,869	439,869
Equates to Council Tax Band D Property	£69.48	£68.80	£68.13	£67.46
Increase in Council Tax	3.0%	2.0%	1.0%	Freeze

The increases equate to:-

- 3% is £2.02 per annum, £0.04 per week
- 2% is £1.34 per annum, £0.03 per week
- 1% is £0.67 per annum, £0.01 per week

### Summary

The final proposed gross revenue budget for 2019/20 is £56.5m, an increase of 3.2%. This majority of the increase in costs relate to forecast pay awards and revised pension contributions all of which is partly offset by the identification of £0.8m of efficiency savings. As highlighted the budget allows for a 2% pay award for grey book personnel in 19/20, whilst the current pay claim from the FBU is for 17%, clearly the outcome of pay discussions will have a significant impact on this, and future years budgets.



The draft Local Government Finance Settlement confirmed funding was in line with the 4 year settlement figures, i.e. £23.8m a reduction of £0.5m (2.0%), and that the council tax referendum level remains at 3.0%.

Based on the council tax referendum limit the Authority has a funding gap of £0.7m and will need to either identify additional savings or utilise reserves to set a balanced budget. Doing so will result in a net budget of £55.8m, and a council tax requirement of £69.48 per Band D property, an increase of 2.99% (£2.02 per annum, 4p per week). It is proposed that £0.7m of reserves are utilised to deliver a balanced budget in 19/20.

Until such time as the outcome of next year's Spending review is published it is impossible to provide any meaningful funding forecast, however for the purpose of medium term financial planning we have assumed that funding is frozen in subsequent years, based on this, and after allowing for council tax increases in future years. Assuming council tax is increased in line with referendum principles in future years the Authority is still faced with a funding gap of approx. £1.0m each year, or higher if council tax is not increased by the maximum amount permissible.

Looking at the medium-term plans it is clear that the key variables remain pay awards, pension costs and funding. Any significant increase in pay award over and above the 2%-2.5% built into the budget or in the increase in pension costs over and above the £0.5m budgeted will add in significant financial pressures. Similarly should the settlement in 2020/21 and beyond be worse than the cash freeze budgeted for then the level of deficit will increase accordingly.

Currently the Authority remains in a good financial position with reserves able to offset the financial challenges next year. The position becomes more challenging thereafter however by that time the Authority should have greater certainty on future funding, pay awards and future referendum limits, which will enable it to deliver more reliable medium term financial plans in order to address any gap that exists.

It would be helpful if you could let me have any comments you wish to make on the revenue budget proposals by no later than 31<sup>st</sup> January 2019. This will enable your views to be tabled for consideration by the Lancashire Combined Fire Authority at its budget setting meeting on 18<sup>th</sup> February 2019.