Summary of Savings Proposals

Annex D

The table below provides a summary of the savings proposals for 2017-18. Paragraphs 1-85 provide more information on each of the savings proposals and the risks associated with them.

Savings Reference	Savings Proposals (by Directorate)	Amount £'m
	Adult & Community Services (ACS)	
ACS1	Supporting Lives Connecting Communities (SLCC)	6.00
ACS2	Adult Care: Voluntary Sector Grants	0.29
ACS3	Housing Related Support	1.40
ACS4	Library Service & Archives	0.28
ACS5	Culture, Heritage and Sport Services	0.13
ACS6	Further savings from Staff	0.74
	Children & Young People (CYP)	
CYP1	Making Every Intervention Count (MEIC)	1.40
CYP2	Travel	0.55
CYP3	Relationship with Schools	0.20
CYP4	Skills	0.10
CYP5	Further savings from Staff	0.85
	Public Health & Protection (PH&P)	
PHP1	Public Protection Organisational Design	1.15
	Resource Management (RM)	
RM1	Travel	0.80
RM2	Highways & Infrastructure	2.13
RM3	Waste	0.98
RM4	Support Services	3.47
RM5	Strategic Development	0.30
RM6	Property	1.00
RM7	Further savings from Staff	0.61
	Corporate	
CORP1	Reduce Capital Financing & Contingency Budgets	3.50
CORP2	Reduce Councillor Locality Budgets	0.02
CORP3	Remove Councillor Pension Budget	0.08
CORP4	Returns from Vertas and Barley Homes (Group) Ltd	0.35
	ALL	
CORP5	Savings from Contracts	5.00
	TOTAL SAVINGS PROPOSALS	**31.33**

ACS1 – Supporting Lives Connecting Communities (SLCC) - £6.0m

1. The key transformation programme is SLCC which aims to provide people with an early and proportionate response that helps prevent, reduce and delay the need for longer term care. The model is based on three tiers; Tier 1 involves giving people good information and advice to support with decision making about their needs, Tier 2 is aimed at providing re-ablement services to assist people regain independence and Tier 3 is the offer of ongoing support for those who need it. The model marks a cultural shift away from the traditional relationship the Council has had with its population and promotes building on strengths and assets through family and community networks before considering funded options.

2. The learning disability teams have embarked on an 18-month programme of reviews to implement the SLCC model across services to this customer group. This will entail maximising people's access to resources in the community, ensuring people have a new Resource Allocation System based personal budget and working with the market to develop more low cost local choices than those offered by traditional day and respite services.

3. The programme also includes IT transformation, which will see mobile working for all front line staff, paperless offices, and the implementation of a new social care recording system which allows health and social care workers to use a shared digital record. Savings will be made in the social work teams and in business support through automation and business process re-engineering. This will save £0.5m in 2017/18, bringing the total to £1.5m over three years.

4. In 2016/17 the joint workforce development team with CYP was restructured with a reduction in headcount of 10 posts to take effect from 1st April 2017. Additional savings will be achieved via a shift to more self-directed learning which maximises the potential offered by new technologies alongside practice-based models rather than face-to-face classroom based approaches.

ACS2 – Adult Care: Voluntary Sector Grants - £0.29m

5. This is the second year of a staged withdrawal of a range of Adult Care grants for some voluntary and community sector organisations. This does not include the significantly larger contract spend with the sector through the payment for services. Each organisation was given notice of the proposals in 2015 and the opportunity to work with officers to plan and mitigate the risk to their organisation. As part of this year's process organisations affected by removal of grants have been consulted on likely impacts to their organisation and activity. Separate to the discussions above, the service continues to meet regularly with the largest grant recipient, Age UK Suffolk, jointly to plan how to manage the financial challenges that the directorate faces. This has included support in seeking

alternative funding sources and business support and this work with Age UK Suffolk is on-going.

6. The impact varies from organisation to organisation, but potentially could reduce local community-based activity and support.

ACS3 – Housing Related Support - £1.4m

7. This is a preventative service which currently assists over 6,000 vulnerable people to live independently in supported accommodation and in their existing homes and works with people who have been previously homeless and/or those who are vulnerable, due to mental health issues, physical disabilities, substance misuse issues etc. Funding goes directly to providers including social landlords and district councils. This reduction of £1.4m expected in 2017-18 will be achieved via a major re-commissioning exercise that will change how services are delivered in future.

8. Current levels of provision, both in respect of accommodation based support and floating support (support provided for people in their own homes) are being maintained. Through consultation and engagement work and through detailed demand analysis a clear shortage of provision in the East of the County and over provision in the West of the County have been identified. Services are being re-commissioned on that basis, i.e. moving provision from the West to the East. The impact of that has been assessed using the ongoing engagement and consultation methods detailed below.

9. A range of consultation and engagement methods have been adopted to ensure that the voices of all partners have been taken into account throughout the Housing Related Support (HRS) Transformation Programme. These have included;

   a) Ongoing monthly meetings (beginning in June 2016) to discuss service redesign with HRS Client Consultants (a group of current and former customers of housing related support)
   b) Customer consultation carried out between May and June 2016 – gaining the views of 370 customers
   c) An independent consultation report produced by Sitra in August 2015
   d) A series of Appreciative Inquiries for stakeholders of HRS services carried out in November 2014
   e) A formal consultation period for customers and stakeholders May – July 2015
   f) Ongoing workshops with service providers, public sector partners and other stakeholders to gain their views regarding service redesign
   g) Direct involvement of customers in the evaluation of provider bids for services under the new housing related support framework.

ACS4 – Library Service and Archives - £0.28m

10. Discussions commenced on the two-year savings plan in 2015 and continue with Suffolk Libraries on maintaining the statutory comprehensive and efficient service for Suffolk County Council whilst achieving a 3% saving on the 2016/17 contract fee. The directorate has negotiated a

£0.2m contract price reduction for 2017/18 with Suffolk Libraries that will enable the directorate to deliver the savings required. Officers are supporting the Suffolk Libraries transition project to design and pilot some new models of service delivery, as well as to upgrade the self-service provision in libraries that allows staff to work more effectively.

11. The aim is that there will be no detrimental impact on the service to the public and that services to vulnerable people would not be affected. There are no current plans to reduce the number of library service points. Savings will also be made within the archives service and elsewhere in ACS to achieve the total savings required.

ACS5 – Culture, Heritage and Sport Services - £0.13m

12. Proposals to reduce grants to cultural sector organisations were discussed with each organisation in 2015 as part of the Council's 2 year proposals set out for 2016/17 and 2017/18.

13. The 2017/18 grant budget is proposed to reduce by a further 16.5%. Officers have worked closely with these organisations throughout the year to mitigate the risk to the stability of the organisations, support business planning and their relationship with other funders including Arts Council England. There is a risk to some organisations attracting funding and completing capital programmes. The risk to the Council is a significant reduction in services that support the Council's priorities, and the social and economic impact. There is a slight sector risk to potential inward investment in Suffolk's cultural infrastructure and development programmes from national bodies such as the Arts Council England, but this is being managed very carefully and there is some confidence of successful awarding of significant grant aid in 2017-18.

ACS6 – Further Savings from Staff - £0.74m

14. These savings, and the savings target of £0.16m which was taken from the directorate's budget in 2016/17, giving a total savings target of £0.9m, will be made through a management restructure. Plans are underway and the aim is for staff consultation to begin in January in order to appoint to a new structure for the 2017/18 financial year.

CYP1 – Making Every Intervention Count (MEIC) - £1.4m

15. A foundation of the MEIC programme was responding to what children & families said they wanted:

    a) Consistent relationships with people that support them and open, honest communication that builds trust
    b) Their voices to be heard with empathy and understanding of their needs and not in judgement
    c) Their involvement in meetings that concern their future to help shape their next steps
    d) Clear information and advice to help themselves and to understand what support and services are available

e) Early help when they need it
f) More joined up services

16. In 2017/18 £1m of the savings relates to the expected reduction in fostering costs as a result of the fostering allowance scheme agreed in 2015/16. This will be achieved by increasing the number of Suffolk foster carers who have the skills to accommodate children with the most complex of needs in an in-house fostering placement, rather than needing to place those children in more expensive agency fostering placements.

17. Over the next 5 years, the service aims to be able to reduce the number of agency placements by 90, through a combination of increasing numbers of in-house carers, increasing the number of placements provided by the current cohort of carers and, where appropriate, increase the number of reunifications. Whilst it is forecast that once achieved, this will reduce overall fostering spend significantly, the scale of the budget deficit in Corporate Parenting will mean that overall budget savings will be challenging to achieve in-year. Should the number of children coming into care increase significantly, the ability to reduce fostering costs would be limited, as there is no option but to ensure safe accommodation for these most vulnerable of children.

18. As part of the MEIC programme there was engagement with a range of partner agencies and Third Sector partners including engagement in two 'Accelerated Solution Environment' events and membership of the MEIC Board leading up to the April 2015 service re-structure. There was extensive engagement with foster carers on the changes to the structure of fees to recognise the age and complexity of children cared for with very little adverse impact on foster carer numbers or placements offered for younger children.

19. The savings are not envisaged directly negatively to impact residents, partners, or the quality and quantity of services offered. Should staff reductions in Early Help services be required this would decrease capacity to support the number / intensity of work with families and may, in turn, have longer-term impact on social care services.

20. The remaining MEIC programme savings of £0.4m is the second year of restructuring of the Workforce Development Team in order to provide a service focussed on recruitment and retention, and primarily supporting social worker activity. Some staff savings were made as part of the first phase of restructure, and this second phase will see reductions in some previously funded generic training, and an expectation that the voluntary sector will cover the full costs of any training provided to them.

CYP2 – Travel - £0.55m

21. The Travel transformation programme is seeking to reshape transport services to help people to move around the county whilst reducing the cost to tax payers. The

programme as a whole is looking for £1.35m savings in 2017/18 with 41% (£0.55m) of this coming from the Home to School budgets held by CYP.

22. In 2017/18 savings of £0.09m stem from inflation savings from school transport. The principle is that whilst transport operators may experience inflationary pressures from fuel prices or staffing costs, they will not receive funding for those pressures, and will have to absorb them from within their existing cost base.

23. Further savings of £0.455m relate to the following:

    a) Increase in the charge for spare seats on home to school buses (following through on Cabinet decisions on the findings of the Home-to-School Policy Development Panel in 2014)
    b) Pupil Referral Units (PRUs) - where there will be more consistent application of existing policy guidelines and consideration of other models of procuring transport that might better meet their needs.
    c) The provision of travel training to Special Educational Needs (SEN) students, focusing on giving students the skills and confidence to use public transport instead of depending on taxis to travel to school. This project is predicted to make savings of £0.1m in 2017/18. In addition, the Safe Routes to School project will improve the safety of selected routes that have been subject to appeal, which will enable pupils to walk to school rather than receiving a free bus pass.

24. The recent change in public procurement regulations has created opportunities for the use of dynamic purchasing systems and e-auctions. This should enable SCC to receive faster and more competitive prices from suppliers for home to school transport services. The estimate is savings of £0.06m through this approach.

25. However, there are significant challenges to meet the budget set for School Transport. Since 2012/13 demand and costs have been steadily increasing. Specific budget pressures include out-of-county SEN, increasing managed moves, low available places in schools, sufficiency of taxi services, and competition for drivers. Oil prices have reduced but often transport companies buy diesel several years in advance, hedging their risks. The most significant cost to an operator is staffing.

26. In 2015/16 the service was overspent by £2.1m. In 2016/17 an overspend of £2.5m is predicted so the directorate have planned to use CYP service reserves to fund this. If demand continues to increase then it is anticipated that costs will increase by up to £10m by 2021. The service has a strong recovery programme to reduce the risk of future overspend but this projection demonstrates the current demand challenges.

CYP3 – Relationship with Schools - £0.2m

27. The Relationship with Schools saving is a combination of savings already identified though the Education and Learning restructure (£0.1m) and a profit share from Schools Choice (£0.1m). The Education & Learning Restructure was widely consulted on in 2015/16 when it was put in place, including consultation with schools, academies, staff, and trades unions.

28. The directorate does not believe that either of these will negatively impact on residents, partner organisations, or the quality of services. The service is confident that these proposals can be made without adversely affecting the Council's delivery of statutory service, although this will be extremely challenging.

CYP4 – Skills - £0.1m

29. The savings will be made through increased income from traded and grant-funded elements of the work. It is not expected that there will be negative impacts on residents, partners, or the quality and quantity of services offered.

30. The service is confident that the savings can be made without adversely affecting the delivery of statutory service, although this will be extremely challenging.

CYP5 – Further Savings from Staff - £0.85m

31. Savings of just over £1m from staffing budgets will need to be made. This is the total of the staff savings requirements in this plan plus a £0.18m savings target allocated to CYP late in the 2016/17 year. This equates to between 20 to 25 posts. As this savings target has only recently been set no consultation with staff or trades unions has yet begun and no assessment of the impact can yet be made.

PHP1 – Public Protection Organisational Design - £1.15m

32. Suffolk fire and rescue service will be implementing the final stages of its Integrated Risk Management Plan (IRMP) to deliver savings of £1.05m for 2017/18. The savings will be delivered through a reduction in the number of full time and on-call firefighters associated with the removal of fire engines from Ipswich, Bury St Edmunds and Lowestoft South fire stations. This will be achieved through natural wastage. There will also be reductions in the budgets for support teams, senior management, capital renewal contributions, training and development and prevention spend.

33. As set out previously, the Authority's IRMP was subject to a detailed and thorough consultation. The Authority first carried out pre-consultation stakeholder engagement from the 23 June to 24 July 2015. The data and information was fully collated and the outcome used to frame the full consultation. The summary of the pre-consultation

findings was brought to Cabinet in November 2015 as part of the decision making process to start the full consultation. The Authority then carried out a comprehensive and detailed formal consultation with the public, partner organisations, district, borough, town and parish councils, representative bodies, staff and other interested parties. This consultation ran for 14 weeks from 16 November 2015 to 22 February 2016. Full details of the consultation were set out in the report to Cabinet in May 2016. The consultation was considered by the Scrutiny Committee in 2016 as part of a wider scrutiny of Council consultations.

34. Where changes have, or will, be made to areas that do not directly impact on the service provided to the public then the consultation and engagement has been directly with those staff who are impacted by the change.

35. The Authority's IRMP sets out details of the risks that face the fire and rescue service and how these are assessed and then responded to through a combination of Prevention, Protection and Emergency Response services. The Plan also provides information about performance across a range of different areas linked to the management of this risk. The proposals have been developed against a range of risk management themes which include; the impact on the speed of response of fire engines; the overall resilience of the fire service in the event of a reduction in the number of fire engines; large fires or other incidents; and, simultaneous incidents across the county.

36. The Service developed equality impact assessments through the Council's Equality's Policy Clearing House. An overarching equality impact assessment screening was completed in January 2015 and subsequently published on the Council's website. A further full equality impact assessment was agreed through the Policy Clearing House in April 2016 after the consultation and this took account of the individual proposals and the associated consultation responses. These assessments are published on the Council's website.

37. The quality and quantity of service provided by the fire and rescue service is assured in several ways. These include, but are not exclusive to; internal managerial oversight, performance management and reporting; a performance management discussion at the cross-party Fire and Rescue Service Steering Group meetings; external peer challenge; publication of an annual Statement of Assurance; periodic review of the IRMP and regular engagement between senior officers and the Cabinet Member to ensure that the Chief Fire Officer is held to account for the delivery of the fire and rescue service. The IRMP that underpins the recent changes to the delivery of the fire and rescue service is an on-going process and further IRMP will be developed that will continually review the risk, demand and performance of the fire and rescue service in Suffolk.

38. This assurance will be supplemented in 2017/18 with the re-establishment, by the Home Office, of a national inspectorate regime and independent standards body for fire and rescue services. The detail of this function has yet

to be agreed but the Authority welcomes such an approach as an additional means of providing assurance about the provision of a value for money fire and rescue service.

39. The Service will regularly review the impact of changes made. The IRMP covers a three-year time span and will be reviewed and revised at the proper time as it is necessary to ensure that the fire authority can deliver the requirements set out in the National Framework.

40. The key statutory responsibility for the fire authority is to provide a fire service that meets all 'normal requirements' and that this takes sufficient account of all ‘foreseeable risks’ that impact on the fire and rescue service across Suffolk. The changes to the fire and rescue service are informed by the professional advice of the Chief Fire Officer, and they will ensure the Authority continues to meet these statutory responsibilities.

41. The fire service manages risk through a balanced approach of Prevention, Protection and Emergency Response services and these are set out in the Authority’s IRMP. These risks are currently being managed against the backdrop of significant reduction in 999 calls in Suffolk over the last 10 years; a trend that has been mirrored nationally. The fire service has detailed performance management arrangements in place, and regularly reviews the risks it faces to ensure that it can provide a sustainable service that meets its statutory responsibilities.

42. Trading Standards will set a balanced budget for 2017/18 that will include savings of £0.1m. These savings are being made through staff redundancy and a £20k reduction to the Council’s funding of Citizen Advice, which is allocated through the Trading Standards budget. Trading Standards officers have engaged with Citizens Advice managers for several years about managing this financial reduction.

43. The County Council’s contribution to the Joint Emergency Planning Unit partnership is established through a formula that is part of the legal agreement, and is subject to annual agreement with all constituent partners. The County Council’s 2017/18 financial contribution to the partnership will remain the same as 2016/17 and will need to absorb 2017/18 inflationary costs to reduce future budget pressures.

Public Health Grant Reduction

44. Public Health will deliver most of the required savings from reductions in the cost of public health contracts including drug and alcohol services and sexual health services. These services have been retendered over the past few years and new integrated service models have created efficiencies. The new services started during 2015 and transition funding support will cease in April 2017. Additional savings are planned through staffing reductions and ensuring primary care budgets reflect activity. Additional service areas are being reviewed and service level reduction considered where evaluation has shown limited impact on outcomes.

45. Consultation and engagement was an integral part of the development of the specifications for the new integrated services commissioned by Public Health. Consultation

took place with partners and focus groups and surveys of patients and local people occurred. The information from the consultation together with Health Needs Assessments and market engagement events (which the local voluntary sector took part in) were used to produce specifications that were evidence based and also prioritised the needs of local people. The panels choosing the new providers included partners and where possible service user input. Any future changes to service configuration are being co-produced with providers using the information from consultation.

46. Those who are most vulnerable in our communities often have poorer health than others and many Public Health services target these groups. Equality Impact Assessments are underway for all areas where these have not already been completed and outcomes will continue to be monitored. Savings plans are being shared with partners through the Suffolk Commissioners Group. It is not anticipated that the changes proposed in 2016/17 or 2017/18 will adversely affect the vulnerable, partners or outcomes.

47. Public Health monitors the performance of service providers and health outcomes on a quarterly basis and risks are highlighted on the risk register. The plans for 2017/18 are not expected to affect the delivery of the Council's statutory responsibilities nor the ability to provide sustainable services.

RM1 – Travel - £0.8m

48. The Travel transformation programme is seeking to reshape transport services to help people to move around the county whilst reducing the cost to tax payers. The programme as a whole aims for £1.35m savings and 59% (£0.8m) of this will come from the Passenger Transport budget in Resource Management.

49. In 2017/18 savings of £0.06m stem from inflation savings from public transport budgets. The principle is that whilst transport operators may experience inflationary pressures from fuel prices or staffing costs, they will not receive funding for those pressures, and will have to absorb them from their existing cost-base.

50. In June 2016 a new model for the provision of rural transport across Suffolk was implemented. Community transport services previously grant funded are now commissioned ensuring that a more equitable offer is available to residents across the County. This has encouraged community transport operators to work with bus and train operators to integrate services with less reliance on Council funding. The contracts have an annual funding reduction built into them which will generate a saving of £0.14m in 2017/18.

51. The Council's budget for the subsidy to the Ipswich Park and Ride service was reduced by £0.5m in 2016/17. During 2017/18 it is intended that the Park and Ride will become completely self-financing which will enable the balance of the budget of £0.14m to be removed as a saving.

52. A general reduction of £0.04m will be made in 2017/18 from the passenger transport budget. Further efficiencies will be achieved through a reduction in the amount that the council pays for infrastructure improvements.

53. The Council has a statutory obligation to fund concessionary fares for customers who are entitled to free bus travel. Analysis of historic trends indicates that this budget can be rebased through a reduction of £0.4m whilst continuing to meet its statutory responsibilities.

RM2 - Highways - £2.13m

54. Suffolk Highways is currently going through an organisational change process so as to create the ‘one team’ approach set out as an original contract aspiration of the County Council. This change process entails a shift away from area highway offices to a service delivery model more focused on highway infrastructure maintenance functions, with a particular emphasis on integrated teams and depot-based services. These changes will result in reductions in staffing levels across the County Council and Kier through the application of systems thinking, removal of bureaucracy and processes that generate cost but no or little benefit and rationalisation of operating systems.

55. The asset management approach adopted by the Cabinet on 10 November 2015 was applied to much of the work being undertaken in 2016/17 but has not yet been fully embedded. The embedding of the changes that can be achieved by fully implementing the Highway Infrastructure Asset Management Plan (HIAMP) and the Highway Maintenance Operational Plan (HMOP) will ensure greater year-round workflow consistency and thus help achieve optimum use of workforce resource which was not evident in the early years of the contract but has begun to emerge in 2016/17. The HIAMP was consulted upon between 28 July and 15 September 2016 whilst the HMOP was the subject of consultation between 17 October and 14 November 2016.

56. Highway infrastructure defects increasingly will be tackled earlier and more comprehensively and the preventative maintenance approach will, for example, reduce the likelihood of potholes forming and thus reduce the number and value of insurance claims arising from use of the highway network.

57. These changes and a more commercial approach to the delivery of services by Suffolk Highways are expected to offset the reduction in the baseline budget for 2017/18 without a corresponding reduction in service levels.

58. As clarified in the Extension to the Highway Services Contract report on 18 October 2016 to Cabinet, the business case submitted by Kier in support of the extension identified that the Highways Transformation Programme (which included the development and implementation of the HIAMP and HMOP) ‘has been greatly welcomed and embraced by Kier at all levels’.

59. The drive for more efficient working within Suffolk Highways will ensure that there is no drop in the level of service provided and measures are being introduced to ensure quality is improved. The only current identifiable risk to the achievement of the savings relates to the timely

securement of planning permission for changes to Rougham depot. The effect of any delay would be in securing the full-year efficiencies associated with switching to a service delivery centre model for the west of the county.

RM3 – Waste - £0.98m

60. The Waste transformation programme had a target to deliver a £1m saving in 2017/18. The Waste Service is currently on target to exceed this target by a further £1m. These additional savings will contribute to the delivery of the corporate target to save £10m from contracts over 2016/17 and 2017/18.

61. The drive to achieve efficiencies through all the Council's waste contracts continues in 2017/18 as the Waste transformation programme will be completed but no further service changes with an impact upon the public are planned.

62. Consultation and engagement took place in earlier years of the transformation programme when there was an impact on the service delivered to the public, but given no further changes are programmed for 2017/18 no further consultation and engagement is required.

63. The uncertainties and risks associated with the transformation programme have been resolved as key decisions have been taken and negotiations concluded. Remaining risks to sustaining cost reductions and income are the same as the upward budget pressures mentioned above, namely a growing demand due to a growth in waste.

64. There is no risk to the delivery of the Council's statutory responsibilities, and the ability to provide sustainable services, as no changes to service delivery are proposed. Given the success of the transformation programme it will be more difficult to identify further significant sustainable savings given the substantial reduction in the size of the Waste budget.

RM4 – Support Services - £3.5m

65. The aim of the Support Services transformation programme is to review and reshape the support services activities that are needed to deliver 'transformed council services' and the role of the Council in the future. The programme includes maximizing the use of technology and promoting self-service and exploring commercial opportunities and developing trading strategies where appropriate. This includes maximizing the financial return from two of the councils wholly-owned companies, Concertus, who provide design and property consultancy services, and OPUS People Solutions, who provide temporary staffing solutions.

66. Through an overall reduction in headcount as a result of implementing service and process change, and savings on third party contracts in IT, it is planned that £3.5m can be saved in 2017/18. The support services have responsibility for the effective delivery of a variety of statutory functions so reducing capacity does put the delivery of these at risk. Furthermore the organisation will need to prioritise how the reduced level of resources are used.

RM5 – Strategic Development - £0.3m

67. The Strategic Development function covers Economic Development, Strategic Planning, Transport Strategy, Environment Strategy, Flooding and Coastal Protection, Natural Environment, Archaeology, and the Area of Outstanding Natural Beauty team, working closely with the Local Enterprise Partnerships, Chamber of Commerce, other local authorities and government agencies. The function is responsible for bringing multi-millions of pounds each year into the Council and into Suffolk to invest in: roads, river crossings, broadband and other infrastructure; business support, inward investment and innovation support; the protection, enhancement and leverage of Suffolk's environment and heritage.

68. Strategic Development was brought together to better co-ordinate the Council's response to growth – ensuring delivery of the ambitions contained in the Suffolk Growth Strategy, supporting the LEP(s) in delivering the Strategic Economic Plan targets for housing, business growth and jobs whilst ensuring that Suffolk's unique natural and historic environment is protected and enhanced.

69. It is proposed that £0.3m of savings can be made in 2017/18 in the Strategic Development function. Primarily this will be delivered through staff savings in the Archaeology, Environment Strategy and Natural Environment teams which will mean less resource for advice to Local Planning Authorities and a streamlining of management.

70. The service has developed a model which ensures an income stream from EU funding for the Environment Strategy team which will deliver savings whilst enabling the team to deliver a multi-million-pound business energy efficiency programme. EU funding has been underwritten by HM Treasury to 2019/20 but this model will need to be reassessed prior to that date depending on the post-Brexit funding landscape.

71. There will be a saving in the Coast Policy Manager budget resulting in a reduction in project match funding resource. There will also be a saving from the Green Suffolk Fund budget resulting in a reduced number of grants.

72. These savings will impact on both the quantity and quality of advice but the service will obviously work to mitigate impacts as much as possible and in line with political priorities. There is significant risk that these services will not be able to keep pace with the demand for advice and decisions relating to planning which will enable growth to be delivered, but the Council will work with partners to mitigate wherever possible.

RM6 – Property - £1m

73. The Corporate Property Service has made dramatic reductions in costs by sharing buildings with partner organisations, rationalisation of the estate and significant improvements to the portfolio e.g. development of Landmark House and the construction of Riverside in Lowestoft.

74. The approach to office rationalisation and consolidation is in line with the Suffolk wide Single Public Sector Estate

approach that has been adopted over many years, this has more recently been supplemented by the national One Public Estate initiative.

75. Following significant consolidation of the Council's estate over recent years the planned £1m property savings will come from further consolidation and maximization of existing office space in order to generate an income return from the released space which will be rented to third parties. This includes creating space within Endeavour House, Landmark House and Constantine House in order to rent space to Babergh and Mid Suffolk District Councils.

76. Discussions have taken place over several years with Babergh and Mid Suffolk District Councils culminating in reports submitted and approved at both Full Councils in September. A project group and programme is now in place to undertake the consolidation and improvements within Council buildings to accommodate the third parties. However, the delivery of these proposals is entirely dependent on third party timescales and the full rental will not be achieved immediately in April 2017. There is also a risk that where the Council is maximising the occupancy of such buildings there is a clear dependency on third parties continuing to occupy space at their current rate.

RM7 – Further Savings from Staff - £0.6m

77. Resource Management has been allocated a £0.6m target to be delivered through further staff savings. This equates to approximately 15 posts that will need to be identified across the directorate.

CORP1 – Reduce Capital Financing and Contingency Budgets - £3.5m

78. As a result of the Council's decision to limit the amount of new borrowing to finance the capital programme over the past few years it is proposed that the Capital Financing Budget can be reduced by £1.5m in 2017/18. However, the rate at which the budget can be reduced is dependent on the timing of any new borrowing required and reserve levels being maintained at an adequate level.

79. The Council holds a contingency budget which exists to enable the Council to deal with uncertainty in future funding and any unexpected liabilities or emergencies. This is £2m in 2016/17 and it is proposed that this is removed in 2017/18. The Council still holds a contingency reserve but this reduces the Council's ability to make additional contributions to this reserve, which is expected to be used to balance the budget in 2017/18.

CORP2 – Reduce Councillor Locality Budgets - £0.02m

80. At present all County Councillors have a locality budget of £10,000 per annum, which is funded by £0.13m from reserves and a base budget of £0.6m. The reserve funding is due to continue until the end of 2016/17. The locality budget is available to support projects and services in councillors wards and has a significant impact within the communities that they serve. In many cases the grants given are used in conjunction with other sources of funding. It is proposed that the allocation for each councillor is reduced to £8,000 in 2017/18. This will deliver a saving of £0.02m. This should enable councillors

to continue to support projects in their local areas effectively. The arrangements for Councillor Locality Budgets will be reviewed in 2017.

CORP3 – Remove Councillor Pension Budget - £0.08m

81. In December 2012 the Government announced its intention to abolish tax payer-funded pensions for councillors and a statutory consultation to this effect was undertaken between April and July 2013. Due to the implementation of the Local Government Pension Scheme Regulations 2014 councillors have no longer been eligible to join the LGPS since 1st April 2014. Any councillor who joined the scheme before 1st April 2014 will cease to be a member at the end of the current term of office that they are serving. Therefore, after the next council elections in May 2017 the Council will not be making employer pension contributions for councillors and a budget of £0.08m will no longer be required.

CORP4 – Returns from Vertas and Barley Homes (Group) Ltd - £0.35m

82. In November 2015 the Cabinet approved the creation of a Housing Development Company that is jointly owned by Suffolk County Council (50% of shares), Forest Heath District Council (25% of shares) and St Edmundsbury Borough Council (25% of shares). As a result Barley Homes (Group) Ltd was incorporated in March 2016. The primary purpose of the company is to generate capital and revenue income through the development of new housing (for rent and sale) in West Suffolk on a commercial basis. Some of this housing will be made available on an affordable basis in line with planning requirements. It is expected in 2017/18 the council can expect to receive interest from loans made to the company.

83. The Council will also continue to target increased returns from Vertas, the facilities management company that was established by the council in 2011. The company continues to expand and as a result is expecting to return a higher dividend to the Council.

CORP5 – Savings from Contracts - £5m

84. The Council spends over 70% of its revenue budget on contracted goods, services and works which means that a more commercial approach is required to ensure value for money through managed contracts and relationships. Further savings of £5m are targeted from these budgets in 2017/18 across all directorates, in addition to those already planned through the transformation programmes. The £5m will be allocated pro-rata to non-pay spend by distributing 0.5% of non-pay inflation to service budgets rather than the 2% pressure that is identified in the budget gap. The Directorates will then need to implement the following approaches to manage contractual costs:

    a) Minimising annual cost increases. Suppliers will be required to absorb cost increases such as inflation and the living wage as part of their general efficiencies.

    b) Cost down. The Council will put its considerable buying weight into cutting costs when extending contracts, and negotiating the best deals with new suppliers. More specifically, suppliers will be invited to reduce their prices, as the Council takes a harder-nosed approach to business negotiations which reflect the reality of the current business market.

c) Re-design and re-procure services at a lower cost. The Council will draw on the skills, knowledge and innovation of the market to co-design new service models, which can then be procured at a lower cost.

d) Ending some contracts. With a declining budget some contracts will no longer be affordable. These contracts will have to end.

85. The Council will seek to behave in a more business-like way and increasingly adopt some of the positive culture and behaviours that are sometimes associated with commercial organisations. Continuing to up-skill staff in contract management, negotiation skills and general procurement is essential in the delivery of these savings.