

## Medium Term Financial Strategy – 2020/21 Budget

### Report by Gary Fairley, Chief Officer Corporate Solutions

#### 1 Purpose of Report

The approval of the Medium Term Financial Strategy in June 2019 was an important step-change and one that provided greater certainty for the local communities we serve and also for our employees. Throughout the *Working with You, For You* public consultation Council listened to people and heard that they were disillusioned with the negative budget discussions of old.

As a result the approval of the Medium Term Financial Strategy set out a strategic budget which invests in Midlothian to help it fulfil its potential to be a great place to grow.

The early development and approval of the Medium Term Financial Strategy also provided time to implement changes needed to deliver improvements in our services and the consequential impact on how resources are allocated. This was of particular importance as the Council has experienced some slippage in delivering savings in previous financial years.

By approving the Medium Term Financial Strategy, the Council no longer needs to consider savings each and every year at February Council meetings but instead the organisation has moved to planning for the medium term which secures continued financial sustainability and prevents utilisation of our reserves to maintain service provision. This is consistent with best practice as shared by the Chartered Institute of Public Finance and Accountancy (CIPFA) who highlight that financial planning sits at the heart of good public financial management. Alongside budget preparation, performance management and stakeholder reporting, the ability to look strategically beyond the current budget period is a crucial process to support an organisation's resilience and long-term financial sustainability.

This report therefore facilitates the finalisation of decisions in respect of the 2020/21 revenue budget and enables Council, on recommendations from Business Transformation Steering Group, to set Council Tax, determine service budgets for the year ahead and agree a formal offer for the Midlothian Integrated Joint Board.

At its meeting on 21 January 2020, Business Transformation Steering Group noted that early approval of service budgets and Council Tax for the year ahead will give certainty to services, colleagues across the Council and more importantly those individuals and organisation who rely on Council services or funding. It will also allow Council Tax billing to proceed as originally planned and in turn help maintain collection levels.

## 2 Background

Council last considered an update on the Medium Term Financial Strategy on 17 December 2019 where it unanimously agreed the following recommendations:

- a) Note that consultation on the measures agreed in principal only as set out in table 1 will be combined with consultation on any further proposals necessary in due course. As a consequence these will not contribute to the 2020/21 budget;*
- b) Note that the Business Transformation Board continues to provide a means to ensure savings measures are fully developed and implemented at pace and that the Medium Term Financial Strategy will be updated to reflect the delivery plans and where shortfalls are identified mitigating actions will require to be developed;*
- c) Note the update in respect of Scottish Government grant set out in section 4.1 and the implications which arise from the delay in the publication of the Scottish Government budget and individual Council Grant settlements;*
- d) Agree that provision be made for a special meeting(s) of Council sometime between the 12 February 2020 and 11 March 2020 where members can fulfil their statutory responsibilities in respect of the budget. It is recommended to remit the arrangements to the Executive Director Place, in consultation with the Provost;*
- e) Delegate to the Executive Director Place authority to determine the charges for wedding rates etc. including the charges for catering and other related services; and*
- f) Otherwise note the update.*

On the recommendation of Business Transformation Steering Group, Council has already agreed the first iteration of its Medium Term Financial Strategy which includes approval of a range of resource allocation changes expected to prove sufficient to secure a balanced budget for 2020/21 when taken together with:

- a) A Council Tax increase of 4.84% (the equivalent to the 2019/20 cap which was 3% plus GDP deflator); and
- b) A Scottish Government grant settlement no worse than the central planning assumption of 2% reduction, at a national level, in the core settlement.

The resource allocation changes already approved also contribute to reducing budget gaps for later years with Business Transformation Steering Group remitted to develop measures to address the remaining gaps once the 2020/21 grant settlement is known.

On 21 January 2020, Business Transformation Steering Group, having considered the announcement that the Scottish Government will publish its budget and individual Council grant settlements on 6 February 2020, agreed to endorse the submission of a report to Council today on the Medium Term Financial Strategy.

At the Business Transformation Steering Group on 3 February 2020 the group agreed, subject to the provisions of the Grant Settlement to be announced on 6 February 2020, to recommend to Council:-

- Approval of the service budgets for 2020/21 as set out in Appendix 3;
- Approval of an allocation of £43.796 million to the Midlothian Integrated Joint Board for 2020/21 in respect of delegated services; and
- An amended Council Tax increase of 4.79%, therefore setting a Band D Council Tax of £1,408 for 2020/21 as set out in appendix 4.

### **3 Update from Business Transformation Steering Group**

#### **3.1 Projected Budget Gaps**

Section 4.2 of this report provides updated figures, albeit pre settlement, on the final projected cost of services for 2020/21 reflecting the recommendations of Business Transformation Steering Group on 3 February 2020. An update on projections for later years of the Medium Term Financial Strategy, and a full update on the Medium Term Financial Strategy itself will be completed after the settlement and the 2020/21 budget is determined.

There have been a number of movements in arriving at the final pre settlement projected budget gap for 2020/21. These movement include the re-evaluation of savings assumptions incorporated in previous years (including the consequences of the delay in progressing the Jarnac Court temporary accommodation project), reversing savings included in 2019/20 in respect of grass cutting and shrub bed maintenance together with a number of other refinements across service budgets. Overall, the adverse movements have been mitigated by a re-evaluation of the borrowing costs expected to be incurred in the year.

The final budget gap for 2020/21 can be addressed by the current estimate of the savings measures already approved and the Council Tax increase of 4.79% recommended by Business Transformation Steering Group. Again this is conditional on a settlement no worse that the central planning assumption.

A summary of the year on year movements is set out in Appendix 1.

#### **3.2 Implementation Progress**

The Business Transformation Board has oversight of the work to fully develop and implement the approved resource allocation measures. Service dashboards presented to BTB included progress updates for the Medium Term Financial Strategy measures and BTB has sought assurance that all of the related delivery plans in respect of the 2020/21 measures are in place.

Arising from the development of the delivery plans and the oversight work by BTB there are some unavoidable changes to the timing and value of the resource allocation measures from those previously reported. In addition, it is important to recognise the higher degree of risk attached to some of the measures and as such a risk adjustment of £0.400 million has been

incorporated into the projections. This is reflective of the position Audit Scotland evidenced across the country whereby Councils inevitably experience a degree of slippage against transformation plans and as such the inclusion of a risk adjustment reduces the risk of slippage having a direct impact on the reserves position. It also reflects a proposed recommendation in the draft internal audit report for Business Planning, Budget Setting and Monitoring in respect of assessing those risk elements that could potentially call on uncommitted reserves.

Adopting these changes will contribute to ensuring the robustness of the 2020/21 budget and so provide significant mitigation of the risk, which has crystallised in previous years, of savings associated with change plans not being delivered in full so resulting in an overspend position and a consequential reduction in reserves.

The updated measures, by theme, are summarised below with an updated programme of measures set out in Appendix 2a. The resource allocation measures have already been approved and accordingly, on the recommendation of BTSG, Council is asked to note the revisions only.

Appendix 2b also sets out the measures which only have agreement in principle by Council and which were to be combined with consultation on any further proposals necessary in due course. As a consequence these do not contribute to the 2020/21 budget.

The Chief Executive, at the Business Transformation Board, has continued to reinforce the need for officers to develop and implement delivery plans for all of the measures which underpin the Medium Term Financial Strategy and in particular those that impact on the 2020/21 budget. The Business Transformation Board continues to provide a means to monitor progress and ensure measures are now implemented at pace.

Reflecting the changes in above the summary position in respect of 2020/21 is as follows.

**Table 1: Summary Position for 2020/21 – 11 February 2020**

	<b>2020/21</b>
	<b>£m</b>
Budget Gap	<b>4.061</b>
<b>MTFS Approved Measures</b>	
Working With You, For You	0.540
Preventative and Sustainable	0.165
Efficient and Modern	3.206
Innovative and Ambitious	0.550
Less risk adjustment	(0.400)
<b>Total</b>	<b>4.061</b>
<b>Remaining Budget Gap</b>	<b>-</b>

#### **4 Principal Planning Assumptions**

## **4.1 Scottish Government Grant Settlement**

As members will be aware the Cabinet Secretary has announced that he will publish the Scottish Governments draft budget for 2020/21 together with individual Council grant settlement figures on Thursday 6 February 2020.

The Cabinet Secretary has also proposed to the Convenor of the Finance and Constitution Committee of the Scottish Parliament that scrutiny of the budget bill take place in the week commencing 2 March 2020 to allow the bill to thereafter receive Royal Assent.

It is now expected that the three stages of parliamentary scrutiny will take place on the 27 February, 4 March and 5 March 2020. The Local Government Finance order is expected to be debated on 10 March 2020.

In respect of the prospects for the 2020/21 grant settlement, the Barnett consequential of the UK spending round in 2019 will boost the resources available to Scottish Government. However, the combination of passing on consequential to Health and significant additional spending commitments together with prior years block grant reconciliations is such that the 2020/21 local government core settlement may still represent a year on year cash reduction. As indicated in the last report, given the continued uncertainty the figures in this report (pre settlement) continue to be based on the central planning assumption.

In 2019/20 Government increased the cap on Council Tax from 3% to the real terms equivalent of 4.79% (3% plus GDP deflator). The equivalent GDP deflator is currently 1.84% and on 31 January 2020, the Cabinet Secretary confirmed that the cap for 2020/21 would be 4.84%. As indicated earlier the Business Transformation Steering Group recommendation is for a Council Tax increase of 4.79%. Accordingly, the revised Council Tax bands, are set out in Appendix 4.

Business Transformation Steering Group will receive an update on the settlement on 10 February 2020.

## **4.2 Projected Net Cost of Services**

The net cost of services for 2020/21 has been reviewed and the updated projections set out in this report are based on the latest information available including school rolls projections, care demographics and deliverability of previous year's savings.

An update on the later years of the Medium Term Financial Strategy, and the Medium Term Financial Strategy itself will be completed after the settlement and the 2020/21 budget is determined.

In respect of fees and charges, a general uplift of 4.79% will be applied which reflects the previous decision of Council to applying the same increase as applied to Council Tax.

However, members should note that there are some exceptions to this general uplift. In line with the corporate charging strategy, analysis of customer volumes and sales, benchmarking against other local authorities and ensuring service costs are met, were all taken into account when reviewing increases. As a consequence, no increases are included for the majority of the sport and leisure service with the exception of Snowsports. This will allow the service, which is now part of the People and Partnerships Directorate, to progress a wholesale review of the charging structure. As that review progresses, there may be an opportunity to make changes during the year to sport and leisure charges which will be subject of a separate report to Council via Business Transformation Steering Group. A similar approach will also be adopted in respect of care charges.

In addition, no increases have been applied to burial charges due to the reduction in income experienced during 2019/20. In respect of the latter, a report setting out the reasons for the variation is being prepared for Business Transformation Steering Group on 9 March 2020.

The uplift supports an overall increase in the 2020/21 budget for fees and charges of £22,000.

Business Transformation Steering Group will be asked to recommend that Council approve the exceptions outlined above and agree that these be subject to separate reports during the year.

The resultant service budgets for 2020/21, reflecting the new Leadership structure, are set out in Appendix 3. Members should note that the service budgets for 2020/21 give greater flexibility from the previous service configurations, particularly in respect of Place, to prioritise resources to the delivery of Community Planning Partnership priorities.

### **4.3 Sensitivity Analysis**

Given the continued level of uncertainty grant settlements and Council Tax policy, table 2 provides a sensitivity analysis reflecting the potential impact of different scenarios for these key aspects of the budget.

Two alternative grant settlement scenarios have been modelled. A cash flat settlement and a 4% reduction, both at a national level. In terms of Council Tax policy the alternatives modelled are a zero increase and a 3% increase.

These allow the calculation of a range of variable outcomes relative to the budget gap after approved resource allocation measures. There are set out below:

- A cash flat grant scenario;
- A more negative scenario (4% grant reduction and no Council Tax increase);

**Table 3: Sensitivity Analysis – 11 February 2020**

	<b>2020/21</b>
	<b>£m</b>
<b>Grant settlement</b>	
Cash flat settlement	(3.104)
4% cash reduction	3.104
<b>Council Tax</b>	
Zero increase	2.448
3% increase	0.915

  

Central Planning Assumption	-
Cash Flat Scenario Gaps	(3.104)
Negative Scenario Gaps	5.552

These scenarios demonstrate the significance of the impact that changes from the central planning assumption have on the budget.

## **5 Next Steps**

### **5.1 Finalisation of the 2020/21 Budget and Setting Council Tax**

Business Transformation Steering Group will receive an update on the settlement on 10 February 2020.

An update on the later years of the Medium Term Financial Strategy, and the Medium Term Financial Strategy itself will be completed after the settlement and the 2020/21 budget is determined. In respect of the medium term and indeed longer term position, members attention is drawn to the remaining budget gaps for later years together with the Capital Strategy report also on today's agenda which sets out the increased borrowing requirement over the longer term required to fund essential infrastructure.

As a consequence, the proportion of the budget which will be required to be set aside to finance the borrowing requirement will grow which will bring inevitable funding challenges for the remainder of the budget.

### **5.2 Further Proposals**

This position remains as previously reported with the cross party Business Transformation Steering Group tasked with progressing the next phase of the development of the Medium Term Financial Strategy, namely to identify measures to address the remaining budget gaps for 2021/22 and 2022/23 once the grant settlement is known.

### **5.3 Midlothian Integration Joint Board**

The Chief Officer and Chief Financial Officer of the Midlothian Integrated Joint Board (IJB) have been kept updated on the Council's budget projections. The indicative budget to be delegated to the IJB is £43.796 million. However it will only be possible to agree a formal offer for the IJB once the grant settlement, any additional monies for delegated activities and any conditions attached to the settlement are known. Business Transformation Steering Group will consider any revisions to the formal offer arising from the settlement at its meeting on 10 February 2020. Meantime dialogue continues with the Chief Officer and Chief Financial Officer of the IJB.

## **6 Governance and Timetable**

Each element of the Medium Term Financial Strategy continues to have governance in place to support the timely delivery of the work streams. All budget proposals continue to be reported to Business Transformation Steering Group with recommendations then presented to Council. Responsibility for setting Council Tax, determining budgets and approving savings etc. remains, with Council.

Council has a duty as set out in Section 93 of the Local Government Finance Act 1992 (as amended) to set its Council Tax and a balanced budget for the following financial year commencing 1 April by 11 March. Members should note that the legislation contains no specific requirement for a Council to set its budget at the same time as setting its Council Tax. This is because it is implicit in setting the Council Tax that Council Tax income needs to be sufficient to fund the balance of expenditure not otherwise funded from government grant, fees, reserves etc.

As Council Tax funds the gap between expected income and expenditure, you need to first identify your proposed expenditure to tell you the resulting gap that Council Tax needs to fund. If no other action is taken to redress any shortfall, then the Council Tax has to be set at a rate that will do so, otherwise the budget will not balance. Accordingly, Council Tax decisions cannot be taken in advance of other budget decisions.

Members should also continue to note that in terms of Section 112 of the Local Government Finance Act 1992 (as amended) it is an offence for members to participate in any vote in respect of setting Council Tax where the member has unpaid Council Tax. Accordingly at the Council meeting where these decisions are taken members would be required to disclose the fact if this section of the act applies to them and subsequently not vote on any question with respect to the matter.

## **7 Report Implications**

### **7.1 Resources**

Whilst this report deals with financial issues there are no financial implications arising directly from it.



## 7.2 Risk

Within any financial projections, there are a number of inherent assumptions in arriving at figures and budget provisions and therefore risks that may be faced if costs change or new pressures emerge.

The following key risks and issues are highlighted in the context of this report:

- The economic outlook and decision by Scottish Government on future years grant settlements and grant distribution;
- The budget reductions attached to a number of the high value resource allocation measures set out in the Medium Term Financial Strategy. To mitigate these risks all measures need to be fully developed and at pace, and implementation plans actioned as soon as possible. The inclusion in the budget of a risk adjustment mitigates slippage having a direct impact on the reserves position;
- Given the nature of the savings measures incorporated in the Medium Term Financial Strategy, there is an increased risk of non-delivery or late delivery of planned savings, including those arising from reductions in the staffing establishment. Again the risk adjustment will help mitigate this risk;
- The risk to service provision and service users associated with a continued decline in available resources to fund services;
- Outstanding pay award settlements and the implications of the National Living Wage for external service providers;
- Actual school rolls exceeding those provided for in the budget;
- Learning Estate Strategy for schools being underfunded to meet statutory functions;
- Not achieving Early Years expansion of 1,140 hours and Scottish Government reclaiming funding;
- The impact of the wider economic climate on range of factors including: inflation, interest rates, employment, tax and income levels and service demands;
- Cost pressures, particularly demographic demand, exceeding budget estimates;
- The impact of Universal Credit, and potential pension changes;
- The costs of implementation of national policies varying from the resources provided by Government;
- Potential liabilities arising from historic child abuse;
- Unplanned capital investment requirements and the associated cost; and
- Ability to continue to meet the expectations of our communities within a period of fiscal constraint.

The Medium Term Financial Strategy aims to mitigate a number of these risks by setting out the key assumptions on which forward plans are based, and through the resource allocation measures, setting out the early identification of future saving measures.

The risk of not having in place a balanced Medium Term Financial Strategy is the potential elimination of available reserves and so severely limiting the Council's ability to deal with unforeseen or unplanned events.

### **7.3 Single Midlothian Plan and Business Transformation**

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☒ Business transformation and Best Value
- ☐ None of the above

### **7.4 Impact on Performance and Outcomes**

The Financial Strategy facilitates decision on how Council allocates and uses its available resources and as such has fundamental implications for service performance and outcomes. The budget projections indicate that in 2022/23 the Council will have available in the region of £215 million for the provision of services and the pursuit of key outcomes as set out in the Single Midlothian Plan.

### **7.5 Adopting a Preventative Approach**

An effective Medium Term Financial Strategy will support the prioritisation of resources to support prevention.

### **7.6 Involving Communities and Other Stakeholders**

As reported on 25 June 2019, a community consultation exercise was carried out during April and May 2019. The consultation plan was co-designed with representatives from the third sector, the local business community and the Midlothian Federation of Community Councils.

The comments and suggestions received during April/May 2019 were in addition to the 2,000 plus responses received during the 2019/20 budget consultation held between October 2018 and January 2019.

Business Transformation Steering Group had agreed to utilise an online summary to facilitate consultation on the finalisation of the Medium Term Financial Strategy, but as reported earlier this will not impact on the 2020/21 budget.

In addition, there has been and will continue to be engagement with the recognised Trade Unions on the Council's financial position and the development of the Medium Term Financial Strategy.

### **7.7 Ensuring Equalities**

The Medium Term Financial Strategy and the resource allocation measures which will support financial sustainability have, as far as the constraint on resources allows, been developed within the context of the Single Midlothian Plan, ensuring as far as possible that resources are directed towards the key

priorities of reducing inequalities in learning, health and economic circumstance outcomes.

The Medium Term Financial Strategy continues as far as is possible to reflect Midlothian Council's commitment to the ethos of the Equality Act 2010 with careful consideration of the interests of the most vulnerable in our communities through the preparation of equality impact assessments (EqIA) for all measures.

Individual assessments of the resource allocation measures were published on 25 June 2019.

In addition, these actions underline the Council's commitment in its Midlothian Equality Plan 2017 – 2021 to tackle inequality and promote inclusion within the limitations of the resources available. These actions also will allow the Council to plan and deliver services which meet the needs of our diverse communities and respond to the changes ahead.

An overarching EQIA has been published on the Committee Management section of the Council's website.

## **7.8 Supporting Sustainable Development**

There are no direct sustainability issues arising from this report and we will work to mitigate any sustainability issues which arise as a consequence of the measures adopted in the Medium Term Financial Strategy.

## **7.9 Digital Issues**

The adoption of digital solutions is a central strand of the Medium Term Financial Strategy.

## **8 Summary**

This report facilitates finalisation of decisions in respect of the 2020/21 budget and enables Council, on the recommendation from Business Transformation Steering Group, to set Council Tax and determine service budgets (including the allocation to the Midlothian Integration Joint Board) for the year ahead.

An update on the later years of the Medium Term Financial Strategy, and the Medium Term Financial Strategy itself will be completed after the settlement and the 2020/21 budget is determined.

## **9 Recommendations**

BTSG recommends that Council:

- a) Note the update in respect of net cost of services, resource allocation measures and Scottish Government grant and individual Council Grant settlements;

- b) Note the revision in the resource allocation measures as highlighted in Appendix 2a;
- c) Approve the exceptions outlined in section 4.2 in respect of fees and charges and agree that these be subject to separate reports during the year;
- d) Subject to the provisions of the Grant Settlement to be announced on 6 February 2020:
  - i. Approve the resultant service budgets for 2020/21 as set out in Appendix 3;
  - ii. Approve the allocation of £43.796 million to the Midlothian Integrated Joint Board for 2020/21 in respect of delegated services;
  - iii. Set a Band D Council Tax of £1,408 for 2020/21 as set out in appendix 4;
- e) In considering the recommendations from Business Transformation Steering Group also consider the overarching EQIA published alongside this report;
- f) Otherwise note the update.

### **3 February 2020**

#### **Report Contact:**

Gary Fairley Tel No 0131 271 3110

[gary.fairley@midlothian.gov.uk](mailto:gary.fairley@midlothian.gov.uk)

Appendix 1 - Analysis on change 2019/20 to 2020/21

Appendix 2a - Revised Measures

Appendix 2b - In Principle Measures

Appendix 3 - Service budgets 2020/21

Appendix 4 - Council Tax Bands 2020/21

## **APPENDIX 4**

### **MIDLOTHIAN COUNCIL**

#### **Council Tax for Financial Year 2020/21**

This statement gives details of the 2020/21 Council Tax payable in respect of a chargeable dwelling in each of the valuation bands specified in Section 74(2) of the

Local Government Finance Act 1992 determined in accordance with Section 74(1) of the Act (as amended) **Based on Band D Council Tax of £1,408.**

<b>Band</b>	<b>Range of Values</b>		<b>Band D Proportion</b>	<b>Council Tax £</b>
	<b>From £</b>	<b>To £</b>		
<b>A</b>	-	27,000	240/360	938.67
<b>B</b>	27,001	35,000	280/360	1,095.11
<b>C</b>	35,001	45,000	320/360	1,251.56
<b>D</b>	45,001	58,000	360/360	1,408.00
<b>E</b>	58,001	80,000	473/360	1,849.96
<b>F</b>	80,001	106,000	585/360	2,288.00
<b>G</b>	106,001	212,000	705/360	2,757.33
<b>H</b>	212,001	upward	882/360	3,449.60
<b>Z</b>	-	-	-	782.22

## Budget 2020/21 - High Level Analysis of Change

## Appendix 1

	£m
<b>2019/20 Approved Budget</b>	<b>0.000</b>
<u>2020/21 Base Budget Adjustments</u>	
Pay Inflation	6.322
Contractual Inflation	0.586
Utilities	0.167
Elderly Demographics	1.040
Schools Demographics	1.164
Childrens Demographics	0.226
New Schools in Capital Plan	0.291
Waste Disposal Costs	0.174
Loan Charges	(2.411)
Non Domestic Rate Poundage	0.099
Nondomestic Rate Appeals	0.326
Homeless Service Charge	(0.435)
Scottish Government Grant	1.680
Council Tax - Property Growth	(1.100)
Council Tax - 4.79% Increase	(2.365)
Savings - Full Year Impact of Previous years adjusted for deliverability	(1.424)
Other	(0.279)
<b>2020/21 Base Budget Gap</b>	<b>4.061</b>
<u>Medium Term Financial Strategy</u>	
Working With You, For You	(0.540)
Preventative and Sustainable	(0.165)
Efficient and Modern	(3.206)
Innovative and Ambitious	(0.550)
Risk Adjustment	0.400
<b>2020/21 Approved Budget</b>	<b>0.000</b>

MTFS OVERVIEW - RESOURCE ALLOCATION MEASURES 11 02 2020									
Strand	Service	No. Proposal	Approved	Templa tes	Year 2 2020/21 £m	Year 3 2021/22 £m	Year 4 2022/23 £m	FTE	Notes
One Council: Working with you , for you	P&FM	33 Work with Communities in order to establish more CAT arrangements for the management of halls and pavilions to community groups	01 10 19	Y	0.000	0.100	0.200	0.00	
One Council: Working with you , for you	CO	36a Reduce failure demand - Waste	25 06 19	Y	0.040	0.040	0.040	2.00	
One Council: Working with you , for you	COUNCIL WIDE	38 Pursue Joint Working Opportunities for all Services: commencing with back-office functions	25 06 19	Y	0.500	0.500	0.500	16.00	
<b>One Council: Working with you , for you Total</b>		<b>Total</b>			<b>0.540</b>	<b>0.640</b>	<b>0.740</b>	<b>18.000</b>	
Preventative and Sustainable	PFM	39 Renewable Sources of Energy	25 06 19	Y	0.000	0.000	0.280	0.00	
Preventative and Sustainable	EDUCATION	41 Identify alternative transport arrangements for ASL School Transport including Children's Services	25 06 19	Y	0.030	0.060	0.110	0.00	
Preventative and Sustainable	FISS	42 Paperless Council - 30% reduction in print and copy volumes in the first instance	25 06 19	Y	0.090	0.090	0.090	0.00	
Preventative and Sustainable	FISS	43 Paperless Council - 30% reduction in central postage costs in the first instance	25 06 19	Y	0.045	0.045	0.045	0.00	
<b>Preventative and Sustainable Total</b>		<b>Total</b>			<b>0.165</b>	<b>0.195</b>	<b>0.525</b>	<b>0.00</b>	
Efficient and Modern	COUNCIL WIDE	3 Reduce Silo Working: Review Senior Management structure (tier 1/2) and further Increase savings from £250k to £302k	25 06 19	Y	0.052	0.052	0.052	0.00	
Efficient and Modern	RESOURCES	1 Reduce Management costs and protect front line services: review of 3/4 tier Management Structures in Resources Directorate to bring in line with other Directorates	25 06 19	Y	0.270	0.270	0.270	4.00	
Efficient and Modern	COUNCIL WIDE	2 Reduce Management costs and protect front line services: review of 3/4 tier Management Structures Council wide in line with automated and digital approaches	25 06 19	Y	0.250	0.250	0.250	3.50	
Efficient and Modern	COUNCIL WIDE	4 Digital First' and the introduction of a Cashless Council	25 06 19	Y	0.025	0.050	0.050	2.00	
Efficient and Modern	FISS	5 Managed Print Service - Downsize devices at contract renewal	25 06 19	Y	0.000	0.000	0.000	0.00	TBC
Efficient and Modern	CS	6 Reduction of Early Intervention and Prevention services	25 06 19	Y	0.190	0.190	0.190	4.80	
<b>Efficient and Modern</b>	<b>PFM</b>	<b>7 EWIM - Further Office consolidation</b>	<b>25 06 19</b>	<b>Y</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.00</b>	
Efficient and Modern	COUNCIL WIDE	8 Digital solutions	25 06 19	Y	0.075	0.075	0.075	1.00	
Efficient and Modern	COUNCIL WIDE	10 Digital Customers & Service Redesign (Processes - Automation, Data Analytics, Virtual and Agile)	25 06 19	Y	0.300	0.500	0.500	0.00	
Efficient and Modern	EDUCATION	11 Achieve revenue savings from the implementation of the Learning Estate Strategy	01 10 19	Y	0.000	0.375	0.600	10.00	
Efficient and Modern	EDUCATION	12 Review DSM allocation to schools for teachers and absence cover	25 06 19	Y	1.022	1.222	1.630	34.00	
Efficient and Modern	EDUCATION	14 Bring Early Years funding into base budget allocation following the 1140 expansion in 2020	01 10 19	Y	0.000	0.500	0.500	14.00	
Efficient and Modern	PFM	16 Review Public Toilets	25 06 19	Y	0.051	0.067	0.067	1.07	
Efficient and Modern	PFM	17 Reduce the Cleaning Service in non PPP Schools by 20%	25 06 19	Y	0.167	0.335	0.335	13.02	
Efficient and Modern	CHS	18 Work with communities in order to encourage CAT of Non-Hub Libraries Services	01 10 19	Y	0.000	0.200	0.200	7.70	
Efficient and Modern	COUNCIL WIDE	19 Efficiency Savings target of 0.5% of net expenditure ex IJB for 2020/21 and a further 0.5% for 2021/22	25 06 19	n/a	0.804	1.603	1.603	0.00	FTE TBC
<b>Efficient and Modern Total</b>					<b>3.206</b>	<b>5.689</b>	<b>6.322</b>	<b>95.090</b>	
<b>Innovative and Ambitious</b>	<b>PFM</b>	<b>20 Destination Hillend</b>	<b>25 06 19</b>	<b>Y</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.00</b>	
Innovative and Ambitious	PFM	21 Building Services Company	01 10 19	Y	0.000	0.000	0.250	0.00	
Innovative and Ambitious	PFM	22 Industrial Estate Expansion	01 10 19	Y	0.000	0.100	0.100	0.00	
<b>Innovative and Ambitious</b>	<b>PFM</b>	<b>23 Income Generation - Professional Consultancy</b>	<b>25 06 19</b>	<b>Y</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.00</b>	
Innovative and Ambitious	PFM	24 Income Generation - Expand Catering/Function Service	25 06 19	Y	0.030	0.060	0.060	0.00	
Innovative and Ambitious	CO	25 Income Generation - Taxi Testing Service	01 10 19	Y	0.000	0.060	0.060	0.00	
Innovative and Ambitious	PFM	26 Income Generation - Vogrie Functions / Indoor Flexible market	01 10 19	Y	0.000	0.050	0.100	0.00	
Innovative and Ambitious	PFM	27 Income Generation Sport & Leisure	01 10 19	Y	0.000	0.300	0.300	0.00	
Innovative and Ambitious	CHS	28 Promotion of Wedding Services	25 06 19	Y	0.020	0.034	0.034	0.00	
Innovative and Ambitious	IJB	30 Reduce planned increase in resources allocated to MIJB	25 06 19	n/a	0.500	0.500	0.500	0.00	
<b>Innovative and Ambitious Total</b>		<b>31 Total</b>			<b>0.550</b>	<b>1.104</b>	<b>1.404</b>	<b>0.00</b>	
		<b>Total</b>			<b>4.461</b>	<b>7.628</b>	<b>8.991</b>	<b>113.09</b>	

APPENDIX 2b

MTFS - APPROVED IN PRINCIPAL ONLY FOR FURTHER CONSULTATION - 11 02 2020						
Strand	Service	No. Proposal	Year 2 2020/21 £m	Year 3 2021/22 £m	Year 4 2022/23 £m	FTE
One Council: Working with you , for you	P&FM	34 Work with Communities in order to establish a sustainable solution/CAT for Gorebridge Leisure Centre	0.000	0.108	0.108	5.00
One Council: Working with you , for you	P&FM	35 Work with Communities in order to establish a sustainable solution/CAT for Newtongrange Leisure Centre	0.000	0.119	0.119	3.58
One Council: Working with you , for you	CO	36 Work with Communities in order to establish a sustainable solution/CATfor Buccleuch Bowling Club	0.000	0.025	0.025	1.00
One Council: Working with you , for you	H&SC	37 Reduce funding to the Midlothian Community Policing Team	0.000	0.281	0.562	0.00
<b>One Council: Working with you , for you Total</b>			<b>0.000</b>	<b>0.533</b>	<b>0.814</b>	<b>9.58</b>
Preventative and Sustainable	EDUCATION	40 Grow walking buses and cycling schemes in order to bridge the gap between 2-3 miles transport for Secondary pupils	0.000	0.075	0.120	0.00
<b>Preventative and Sustainable Total</b>			<b>0.000</b>	<b>0.075</b>	<b>0.120</b>	<b>0.00</b>
<b>Total</b>			<b>0.000</b>	<b>0.608</b>	<b>0.934</b>	<b>9.58</b>



## Appendix 3

# MIDLOTHIAN COUNCIL

## REVENUE BUDGET 2020/21 SUMMARY

	2020/21
	£
<b>SERVICE FUNCTION</b>	
Management and Members	1,799,964
<b>People and Partnerships</b>	
Children, Young People and Partnerships	19,099,155
Education	97,220,680
Adult Health and Social Care - Delegated to MIJB	43,796,458
Adult Health and Social Care - Non-Delegated	1,560,163
<b>Place</b>	
Place	27,894,742
Corporate Solutions	20,995,819
Joint Boards	534,441
Non Distributable Costs	1,238,436
<b>GENERAL FUND SERVICES NET EXPENDITURE</b>	<hr/> 214,139,859
Loans Charges	3,712,106
Investment Income	(560,736)
Council Wide Savings Targets	(1,323,446)
Centrally Held Budget Provisions	742,828
Allocations to Housing Revenue Account, Capital Account etc	(5,140,617)
<b>NET EXPENDITURE</b>	<hr/> <b>211,569,994</b> <hr/>
Utilisation / (Enhancement) of Reserves	0
Council Tax Income	54,452,000
Scottish Government Grant	157,117,994
<b>TOTAL FUNDING</b>	<hr/> <b>211,569,994</b> <hr/>