



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	15 November 2018
Report Subject	Budget 2019/20 – Stage 1 Proposals – Corporate Finance
Cabinet Member	Leader of the Council and Cabinet Member for Finance
Report Author	Chief Executive and Corporate Finance Manager
Type of Report	Strategic

EXECUTIVE SUMMARY

The annual budget is developed in three stages. Stage 1 covers corporate finance and the costs of the whole organisation. Stage 2 covers the service portfolios. Stage 3 covers engagement with the Welsh Government on the Local Government Settlement and national financial support and solutions.

This report is one of a series of reports and presents the work on Stage 1 which has been concluded.

RECOMMENDATIONS

1	That the Committee supports the Stage 1 budget proposals for recommendation to Cabinet and Council.
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REPORT DETAILS

1.00	EXPLAINING THE FINANCIAL FORECAST AND STAGE ONE BUDGET PROPOSALS
1.01	A report to Cabinet in April provided the first detailed overview of the financial forecast for 2019/20. At that stage the projected budget gap stood at £12.2m. This was reduced to £10.6m when taking account of the earlier accounting policy change for the Minimum Revenue Provision (MRP) and the impact of the stepped annual increase in the charging cap for domiciliary care services (set by Welsh Government).
1.02	Member briefing workshops were held throughout the summer with updates given on the latest local financial forecast in the context of the developing national budget position. A report to Cabinet on 25 September provided an update on the financial forecast for 2019/20 which showed a projected budget gap of £13.7m.
1.03	The Welsh Local Government Provisional Settlement was announced on 9 October and illustrated a 1% reduction in funding for the Council. The Settlement, unless changed, will have a negative impact on the budget forecast and will widen the funding 'gap'. A full update on the national position will be given in a presentation at the meeting.
1.04	The Council has a staged approach to setting the annual budget – an approach supported and strengthened through the process review undertaken by the Constitution Committee earlier this year. The annual budget is developed in three stages. Stage 1 covers corporate finance and the costs of the whole organisation. Stage 2 covers the service portfolios. Stage 3 covers engagement with the Welsh Government on the Local Government Settlement and national support. This report is one of a series of reports and presents the work on Stage 1 which has been concluded. Each of the proposals is supported by a method statement. The set of method statements is attached to the report. Council will receive the recommendations of Cabinet for Stage 1 of the 2019/20 budget at its November meeting. The comments of this Committee will be reported to Cabinet for it to consider as it makes its recommendations.
	Stage 1 Budget – Corporate Finance
1.05	<p>Local Taxation/Income</p> <p><u>Council Tax Rise at 4.5% (£3.635m) (Net of CTRS Pressure)</u></p> <p>At this stage a minimum Council Tax rise of 4.5% is included for illustrative purposes. Based on current funding projections a higher increase will be required. Council Tax will be set at the final stage of setting the budget and will be a whole Council decision.</p>

	<p><u>New Income Streams (£0.100m)</u></p> <p>The target for increasing income from fees and charges will be raised and is based on work across service portfolios in support of the adopted corporate Income Generation Policy.</p>
1.06	<p>Cost Pressure Management</p> <p><u>Management of workforce and inflation cost pressures (£1.144m)</u></p> <p>A reduction in provision for inflation (£0.144m) based on a risk assessment, and reductions in employer pension contributions (£0.600m) and pension auto-enrolment employer pension contributions (£0.400m) based on workforce size and pension enrolment trends.</p> <p><u>Reduction of workforce costs through a review of terms and conditions (£0.250m)</u></p> <p>A reduction in employer costs based on reviews of eligibility for essential car user allowances and a realignment of casual and essential user mileage budgets, and the introduction of a salary sacrifice scheme to encourage employees to increase their pension contributions through Additional Voluntary Contributions (AVS's).</p>
1.07	<p>Reserves and Balances</p> <p><u>Use of new reserves (£1.900m)</u></p> <p>The Council has used reserves as a temporary way of balancing the budget in recent years. As part of the 2019/20 strategy further use of reserves is being recommended utilising the backdated VAT rebate sum of £1.9m for leisure centre services reported previously.</p>
1.08	<p>Corporate - Organisational</p> <p><u>Final phase of reductions in ADM subsidies (£0.400m)</u></p> <p>The reductions in Council subsidy for the final year of the three-year tapering agreements with Newydd and Aura.</p> <p><u>Reduction in corporate management posts (£0.250m)</u></p> <p>A reduction in the size of the Chief Officer Team and the supporting Executive Office.</p> <p><u>Housing Revenue Account (HRA) - Council Fund recharges (£0.158m)</u></p> <p>A review of recharges for Council services provided to the Housing Revenue Account has been completed with a rebalancing of charges for professional and management services.</p>

	<p><u>School Transport (£0.100m)</u></p> <p>A reduction in the costs of school transport based on reports considered and approved by Overview and Scrutiny and Cabinet.</p> <p>Total Corporate Solutions for Stage 1:-</p> <p>£7.937m (£4.302m excluding any Council Tax rise)</p>
1.09	<p>Budget Process and Timeline</p> <p>The presentation at the meeting will detail the national and local budget processes and timetables.</p>

2.00	RESOURCE IMPLICATIONS
2.01	As set out in the report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Consultation on the budget is continuous and involved members, the workforce, partners and stakeholders, and trade unions.

4.00	RISK MANAGEMENT
4.01	As set out in the report and the supporting appendices.

5.00	APPENDICES
5.01	Appendix 1 – Method Statements for Corporate Stage 1 Proposals

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS AND CONTACT DETAILS
6.01	<p>Previous reports to Cabinet and Overview and Scrutiny Committees Member Workshop Supporting Papers:13 and 23 July 2018 and 18 September 2018</p> <p>Contact Officer: Gary Ferguson, Corporate Finance Manager Telephone: (01352) 702271 E-mail: gary.ferguson@flintshire.gov.uk</p>


7.00	GLOSSARY OF TERMS
7.01	<p>Specific Grants: An award of funding from a grant provider (e.g. Welsh Government) which must be used for a pre-defined purpose.</p> <p>Annual Settlement: the amount of its funds the Welsh Government will allocate annually to local government as a whole, as part of its total budget and to individual councils one by one. The amount of Revenue Support Grant each council will receive is based on a complex distribution formula for awarding Aggregate External Finance (AEF). The formula is underpinned by assessments of local need based, for example of population size and demographics and levels of social deprivation.</p> <p>Financial Year: the period of 12 months commencing on 1 April each year.</p> <p>Revenue: a term used to describe the day to day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.</p> <p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p>

Appendix 1, Modelling : Method Statement – Efficiency Savings

Version Control:	Stage: 1 / 2 / 3	No: 1.4	Date: 05/11/2018
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Section A: Impact				
A	Portfolio	Corporate		
B	Service	Revenues		
C	Service Type			
D	Efficiency Title	Council Tax Increase of 4.5% (net of CTRS pressure)		
E	Efficiency to occur in Financial Year	2019/20	F Budget Code	N/A
G	Original Budget in Current Year (18/19) relating to this Efficiency	£75.172m	H Efficiency	£3,634,770
I	Implementation Costs associated with this efficiency	If yes – completed below	J If no – provide a reason:	None
K	Implementation Costs	£0	L Budget Code	None
M	Sources	<input type="checkbox"/> Revenue	N If capital is this included within the current capital programme?	Y / N If no – completed Attach link
O	Impact Assessment Completed?	No		

Appendix 1, Modelling : Method Statement – Efficiency Savings

Section B : Reason								
P	Category for Efficiency:	1. Policy Reform	2. Service Reform	3. Income Generation	4. Efficiency Review	5. Pressure Reduction	6. Other Please provide details	
	Please Tick			x				
Q	One off or Reoccurring Efficiency	<input type="checkbox"/> Recurring Efficiency		R If reoccurring, state financial impact for the next three years		19/20 £3,634,770	20/21 £3,634,770	21/22 £3,634,770
S	For Categories 1-7 provide / attach evidence to support category of Efficiency NB – Attach forecasting model if relevant or any other evidence to support the reason for Efficiency	<p>The efficiency is due to an increase in charge for Council tax in 2019/20, using a latest projected Tax Base of 64,317 band D equivalent properties (as at 31/10/2018) and this has been modelled on 4.5% increase in the level of charges.</p> <p>The Tax Base for 2019/20 (see cell C4, i.e. 64,752 band D equivalent properties using a recent snapshot of the actual Tax Base) also assumes an additional 280 Band D equivalent properties as new builds and this is consistent with the volumes of new builds currently taking place across Flintshire.</p> <p>$64,752 + 280 = 65,032 * 98.9\% = 64,317$ band D equivalents (rounded)</p> <p>The financial impact also takes into account the net effect of the increased council tax yield after a projected CTRS budget pressure of £341,120 associated with a 4.5% increase in the level of charges and a 1.5% projected reduction in CTRS expenditure.</p> <p>T:\DATA\My Excel Docs\COUNCIL TAX CHARGES AND BASE\Council Tax Increase - Impact Assessments 19-20.xlsx</p> <div style="text-align: center;">  Tax Base for 2019-20.prt </div>						
Section C : Methodology								
T	Methodology of Calculation State the basis of calculation.	<p>The calculation uses:</p> <ul style="list-style-type: none"> the latest data available on the current level of the Tax Base for 2018-19 (as at 31/10/2018) 						

Appendix 1, Modelling : Method Statement – Efficiency Savings

	<p>E.g. pay – does it include current on costs / pays scale / period it applies to. If over 1 financial include estimate of pay increase (approx. 2%) and inflation</p> <p>Include assumptions regarding demand. Cross reference to forecasting model if appropriate</p>	<ul style="list-style-type: none"> that the collection rate is reduced from 99.0% to 98.9% in view of WG announcements to end committal as a recovery tool very latest projections of 280 new builds at Band D equivalent are added to the calculations to reflect the growth of domestic properties as a result of new buildings/developments 				
U	Please state any assumptions made in this calculation					
V	Any further resources implications / impact on other service areas	The financial implications take into account the consequential impact that a 4.5% increase in Council Tax will have on the Council Tax Reduction scheme, the associated cost of running the scheme and the additional budget pressure of CTRS of £341,120				
W	<p>Trend Analysis to support future efficiency</p> <p style="color: red;">If included within forecasting model – please attach</p>					
Section D : Financial Analysis						
X	Actual or Estimated Figures used to Calculate Efficiency	Delete where applicable	Y Confirm source of figures	System Tax Base Reports – as at 31/10/2018		
		<input type="checkbox"/> Actual Figures for the Tax Base but estimated figures for the CTRS consequential of £341,120	Z If estimated ensure you assumptions are completed	Completed	AA Confirm when actual figures will be available	2019/20
		AB If estimated give assessment of financial robustness	1 - high	2	3	

Appendix 1, Modelling : Method Statement – Efficiency Savings

Section E : Challenge						
		Name	Date	Version Reviewed	Comments	Further Action Required if Applicable
AC	Service Manager	David Barnes	6/6/2018	1.2 (26/9/18)	Revision to take account of latest Tax Base report	
				1.3 (1/11/18)	Revision to take account of : 1) final Tax Base as at 31/10/18 2) revision in assumed collection rate of 98.9% 3) Consequential financial impact of CTRS budget pressure	
AD	Chief Officer					
AE	Finance Challenge	Sara Dulson	28/9/18	1.3 (V4) 5/11/18		
AF	Chief Officers Team					
AG	Submit within Integrated Impact Assessment within CAMMS					
AH	Portfolio Member Informed					

Appendix 1, Modelling : Method Statement – Efficiency Savings

Version Control:	Stage: 1 / 2 / 3	No: 1.2	Date: 02/11/18
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Section A: Impact				
A	Portfolio	People and Resources		
B	Service	Corporate		
C	Service Type	Corporate Finance		
D	Efficiency Title	Corporate Cost Pressure Reductions		
E	Efficiency to occur in Financial Year	2019/20	F Budget Code	Various
G	Original Budget in Current Year (18/19) relating to this Efficiency	£0.559m – Auto enrolment £0.331m – Non Pay Inflation £0.822m – Pension contributions		H Efficiency £1.144m
I	Implementation Costs associated with this efficiency	If yes – completed below	J If no – provide a reason:	Not applicable – reduction of budgeted costs
K	Implementation Costs	£0	L Budget Code	N/A
M	Sources	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital	N If capital is this included within the current capital programme?	Y / N If no – completed Attach link
O	Impact Assessment Completed?	Y/N N		

Appendix 1, Modelling : Method Statement – Efficiency Savings

Section B : Reason								
P	Category for Efficiency:	1. Policy Reform	2. Service Reform	3. Income Generation	4. Efficiency Review	5. Pressure Reduction	6. Other Please provide details	
	Please Tick					x		
Q	One off or Reoccurring Efficiency	<input type="checkbox"/> Recurring Efficiency		R If reoccurring, state financial impact for the next three years		19/20 £1.144m	20/21 £1.144m	21/22 £1.144m
S	For Categories 1-7 provide / attach evidence to support category of Efficiency NB – Attach forecasting model if relevant or any other evidence to support the reason for Efficiency	The corporate cost pressures are held within the Central and Corporate Finance budget. These include pressures for Auto enrolment, Non Pay inflation and contributions to the pension fund.						
Section C : Methodology								
T	Methodology of Calculation State the basis of calculation. E.g. pay – does it include current on costs / pays scale / period it applies to. If over 1 financial include estimate of pay increase (approx. 2%) and inflation Include assumptions regarding demand. Cross reference to forecasting model if appropriate	<p>Inflation – Unused inflation in 17/18 of £0.144m</p> <p>Auto – enrolment – Reduction in pressure on budget of £0.559m due to impact being less than originally forecast. Still subject to monthly changes as assessment of eligibility depends on hours worked in an initial month. Initial projections highlighted a potential underspend of £0.200m which formed part of the original efficiency put forward. A half year review of this pressure indicates that based on current information and if no further pressures emerge from new joiners to the pension scheme, a further £0.200m is available to release as an efficiency making the overall efficiency £0.400m.</p> <p>Pension deficit recovery – initial indications are that there is a potential efficiency. More work is needed to fully understand the full year effect of Aura and Newydd transferring out and this will be assessed further into the year, however initial indications suggest £0.200m is a reasonable figure to include at this stage. A detailed review has been undertaken on this area to analyse the reasons for the positive position. The main reasons are due to surplus budget from previous Actuarial Valuations which is not required due to changes in operating models and staffing, retrieval of budget from areas where staff have opted out, and more significantly, over recovery of the deficit which is due to the higher level of pay award (2+%) than taken into account at the last Actuarial Review. This has provided the Council with a positive variance on this account and the £0.200m originally identified can be increased by an additional £0.400m making the overall efficiency £0.600m.</p>						

Appendix 1, Modelling : Method Statement – Efficiency Savings

U	Please state any assumptions made in this calculation	As above							
V	Any further resources implications / impact on other service areas	No							
W	Trend Analysis to support future efficiency If included within forecasting model – please attach								
Section D : Financial Analysis									
X	Actual or Estimated Figures used to Calculate Efficiency	<i>Delete where applicable</i>	Y	Confirm source of figures			As stated above and highlighted as part of monitoring of the Central and Corporate finance code		
		<input type="checkbox"/> Estimated Figures	Z	If estimated ensure you assumptions are completed		Yes	AA	Confirm when actual figures will be available	Not until the end of 18/19 however the estimate can be refined Sept 18
		AB	If estimated give assessment of financial robustness		1	2	3		
Section E : Challenge									
		Name	Date	Version Reviewed	Comments	Further Action Required if Applicable			
AC	Service Manager	Gary Ferguson	2/11/18	1.2					
AD	Chief Officer								
AE	Finance Challenge	Sara Dulson	2/11/18	1.2					
AF	Chief Officers Team								
AG	Submit within Integrated Impact Assessment within CAMMS								

Appendix 1, Modelling : Method Statement – Efficiency Savings

AH	Portfolio Member Informed					
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Appendix 1, Modelling : Method Statement – Efficiency Savings

Version Control:	Stage: 1 / 2 / 3	No: 1.1	Date: 31/5/18
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Section A: Impact				
A	Portfolio	Corporate		
B	Service	Various		
C	Service Type			
D	Efficiency Title	Workforce Cost reduction		
E	Efficiency to occur in Financial Year	2019/20	F Budget Code	Various
G	Original Budget in Current Year (18/19) relating to this Efficiency	£833k for Mileage £732k for ECU allowance		H Efficiency £0.250m
I	Implementation Costs associated with this efficiency	If yes – completed below	J If no – provide a reason:	ECU is part of annual review and mileage budget is surplus requirement. Publication of salary sacrifice can be done in house via infonet.
K	Implementation Costs	£0	L Budget Code	N/A
M	Sources	<input type="checkbox"/> Revenue	N If capital is this included within the current capital programme?	Y / N If no – completed Attach link
O	Impact Assessment Completed?	Y/N N		

Appendix 1, Modelling : Method Statement – Efficiency Savings

Section B : Reason								
P	Category for Efficiency:	1. Policy Reform	2. Service Reform	3. Income Generation	4. Efficiency Review	5. Pressure Reduction	6. Other Please provide details	
	Please Tick				x			
Q	One off or Reoccurring Efficiency	<input type="checkbox"/> Recurring Efficiency		R If reoccurring, state financial impact for the next three years		19/20 £0.250m	20/21 £0.250m	21/22 £0.250m
S	For Categories 1-7 provide / attach evidence to support category of Efficiency NB – Attach forecasting model if relevant or any other evidence to support the reason for Efficiency	The efficiency relates to a reduction in workforce cost budgets as a result of the annual review of eligibility for the Essential Car allowance scheme, reduction in mileage claimed and the promotion of salary sacrifice scheme for AVC contributions to the pension scheme.						
Section C : Methodology								
T	Methodology of Calculation State the basis of calculation. E.g. pay – does it include current on costs / pays scale / period it applies to. If over 1 financial include estimate of pay increase (approx. 2%) and inflation Include assumptions regarding demand. Cross reference to forecasting model if appropriate	Essential Car User allowance figure – 51 employees identified at last review (Nov 17) as being ineligible for ECU allowance with savings in region of £51k. Review is annual so a further review will be undertaken in 2018. Mileage usage – based on 18/19 budget and 17/18 actual a saving of up to £80k could be achieved. Some realignment of budget between casual and essential would be required. Introduction of a salary sacrifice scheme for employees paying in AVC's which would give tax relief to the employee and generate a saving on employers NI. Papers attached give further details: ..\\..\\..\\FCC Fileshare 05\\CTAC\\SHARED\\Budget\\1920\\workforce options 19.20 v2.docx ..\\..\\..\\FCC Fileshare 05\\CTAC\\SHARED\\Budget\\1920\\Method Statements\\Essential Mileage.xlsx ..\\..\\..\\FCC Fileshare 05\\CTAC\\SHARED\\Budget\\1920\\Method Statements\\Casual Mileage.xlsx						

Appendix 1, Modelling : Method Statement – Efficiency Savings

U	Please state any assumptions made in this calculation	The paper on workforce options has a range up to £240k however there will be further review of ECU allowance in the year.							
V	Any further resources implications / impact on other service areas	None							
W	Trend Analysis to support future efficiency If included within forecasting model – please attach								
Section D : Financial Analysis									
X	Actual or Estimated Figures used to Calculate Efficiency	<i>Delete where applicable</i>	Y	Confirm source of figures			Mileage figures as per ledger ECU figures as per HR Salary sacrifice figures as per HR		
		<input type="checkbox"/> Estimated Figures	Z	If estimated ensure you assumptions are completed			AA	Confirm when actual figures will be available	19/20 financial year
		AB	If estimated give assessment of financial robustness		1	2 - estimated but mileage should be robust	3		
Section E : Challenge									
		Name	Date	Version Reviewed	Comments	Further Action Required if Applicable			
AC	Service Manager	Gary Ferguson	30/9/18						
AD	Chief Officer								
AE	Finance Challenge	Sara Dulson	30/9/18						
AF	Chief Officers Team								
AG	Submit within Integrated Impact Assessment within CAMMS								

Appendix 1, Modelling : Method Statement – Efficiency Savings

AH	Portfolio Member Informed					
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Appendix 1, Modelling : Method Statement – Efficiency Savings

Version Control:	Stage: 1 / 2 / 3	No: 1.1	Date: 20/08/18
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Section A: Impact				
A	Portfolio	Corporate		
B	Service	Corporate Finance		
C	Service Type	Central and Corporate		
D	Efficiency Title	Use of Reserves 19.20		
E	Efficiency to occur in Financial Year	2019/20	F Budget Code	N/A
G	Original Budget in Current Year (18/19) relating to this Efficiency	£N/A	H Efficiency	£1,900,000
I	Implementation Costs associated with this efficiency	If yes – completed below	J If no – provide a reason:	Use of reserves only
K	Implementation Costs	£	L Budget Code	N/A
M	Sources	<input type="checkbox"/> Revenue <input type="checkbox"/> Capital	N If capital is this included within the current capital programme?	Y / N If no – completed Attach link
O	Impact Assessment Completed?	Y/N N		

Appendix 1, Modelling : Method Statement – Efficiency Savings

Section B : Reason								
P	Category for Efficiency:	1. Policy Reform	2. Service Reform	3. Income Generation	4. Efficiency Review	5. Pressure Reduction	6. Other Please provide details	
	Please Tick						Use of reserves	
Q	One off or Reoccurring Efficiency	<input type="checkbox"/> One off Efficiency <input type="checkbox"/> Recurring Efficiency		R If reoccurring, state financial impact for the next three years		19/20 £1,900,000	20/21 £0	21/22 £0
S	For Categories 1-7 provide / attach evidence to support category of Efficiency NB – Attach forecasting model if relevant or any other evidence to support the reason for Efficiency	For the past few years the Council has used reserves as a temporary way of balancing the budget and meeting the gap between income from government grant and Council tax. As part of the 2019/20 strategy further use of reserves is being considered with the use of additional one off windfall income from a VAT rebate as detailed in Section C, which will increase the amount of useable reserves, being used.						
Section C : Methodology								
T	Methodology of Calculation State the basis of calculation. E.g. pay – does it include current on costs / pays scale / period it applies to. If over 1 financial include estimate of pay increase (approx. 2%) and inflation Include assumptions regarding demand. Cross reference to forecasting model if appropriate	<div style="text-align: center;"> Briefing note VAT and Leisure Services. </div> Background Local Authorities have in the past charged VAT on sporting activities such as the use of swimming pools and gymnasia. As a result of a case brought by the London Borough of Ealing, the European Court of Justice ruled in July 2017 that in fact such activities when supplied by Local Authorities should be exempt from VAT. HMRC accepted the ruling and as a result Local Authorities are able to recover VAT incorrectly charged on the activities. Price Waterhouse Coopers (PWC) acted on behalf of Ealing, and Flintshire County Council engaged with them during the process. Information on the amount of VAT involved was collected and sent to PWC, showing how much VAT could be reclaimed by Flintshire from July 2012 (the earliest date which VAT can be reclaimed from in						

Appendix 1, Modelling : Method Statement – Efficiency Savings

		<p>this case) and August 2017, the point at which the leisure service began to be delivered by AURA. This was in two tranches, the first being up to March 2015 and the second to August 2017.</p> <p>In total the amount of VAT reclaimed is £1,947,798.</p>				
U	Please state any assumptions made in this calculation	See above				
V	Any further resources implications / impact on other service areas	None				
W	<p>Trend Analysis to support future efficiency</p> <p style="color: red;">If included within forecasting model – please attach</p>	N/A – one off				
Section D : Financial Analysis						
X	Actual or Estimated Figures used to Calculate Efficiency	Delete where applicable		Figures as per briefing note confirmed by PWC and HMRC.		
		<input type="checkbox"/> Actual Figures <input type="checkbox"/> Estimated Figures	Y Confirm source of figures			
		AB If estimated give assessment of financial robustness	Z If estimated ensure you assumptions are completed		AA Confirm when actual figures will be available	
			1	2	3	
Section E : Challenge						
		Name	Date	Version Reviewed	Comments	Further Action Required if Applicable
AC	Service Manager	Gary Ferguson	20/8/18			

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AD	Chief Officer					
AE	Finance Challenge	Sara Dulson	20/8/18			
AF	Chief Officers Team					
AG	Submit within Integrated Impact Assessment within CAMMS					
AH	Portfolio Member Informed					

Appendix 1, Modelling : Method Statement – Efficiency Savings

Version Control:	Stage: 1	No: 1.1	06/06/18
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Section A: Impact				
A	Portfolio	Organisational Change 1		
B	Service	Organisational Change		
C	Service Type	Leisure - AURA		
D	Efficiency Title	9% Reduction in FCC subsidy		
E	Efficiency to occur in Financial Year	2019/20	F Budget Code	
G	Original Budget in Current Year (18/19) relating to this Efficiency	£3,773,704		H Efficiency £337,400
I	Implementation Costs associated with this efficiency	If yes – completed below	J If no – provide a reason:	
K	Implementation Costs	N/A	L Budget Code	
M	Sources	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	N If capital is this included within the current capital programme?	Y / N If no – completed Attach link
O	Impact Assessment Completed?	N		
Section B : Reason				

Appendix 1, Modelling : Method Statement – Efficiency Savings

P	Category for Efficiency: <div style="text-align: right;">Please Tick</div>	1. Policy Reform	2. Service Reform	3. Income Generation	4. Efficiency Review	5. Pressure Reduction	6. Other Please provide details	
					X			
Q	One off or Reoccurring Efficiency <input type="checkbox"/> One off Efficiency <input checked="" type="checkbox"/> Recurring Efficiency	R If reoccurring, state financial impact for the next three years				19/20 £337,400	20/21 £337,400	21/22 £337,400
S	For Categories 1-7 provide / attach evidence to support category of Efficiency <i>NB – Attach forecasting model if relevant or any other evidence to support the reason for Efficiency</i>							
Section C : Methodology								
T	Methodology of Calculation State the basis of calculation. E.g. pay – does it include current on costs / pays scale / period it applies to. If over 1 financial include estimate of pay increase (approx. 2%) and inflation Include assumptions regarding demand. Cross reference to forecasting model if appropriate	Breakdown not for inclusion in the legals		Full Year		Sept - Mar	Full Year	Full Year
				2017/18		'2017/18	2018/19	2019/20
		Funding Agreement		£ 4,533,828		£ 2,644,733	£ 4,152,357	£ 3,773,704
		Pension Deficit		£ (495,223)		£ (288,880)	£ -	£ -
		Buckley NNDR budget to transfer		£ 8,391		£ 4,895	£ -	£ -
		Museum Warden		£ 20,666		£ 12,055	£ -	£ -
		Repairs and Maintenance		£ 40,746		£ 23,769	£ -	£ -
		Accounting technician		£ 43,949		£ 25,637	£ -	£ -
		Proposed Efficiencies in AURA Business Plan		£ -		£ -	£ (416,016)	£ (371,361)
				£ 4,152,357		£ 2,422,208	£ 3,736,341	£ 3,402,343
		1% Inflationary increase					£ 37,363	£ 34,023
		SLA including inflation		£ 4,152,357		£ 2,422,208	£ 3,773,704	£ 3,436,367
		MTFS efficiency				£ -	£ (378,653)	£ (337,338)

Appendix 1, Modelling : Method Statement – Efficiency Savings

U	Please state any assumptions made in this calculation	10% Efficiency agreed on transfer				
V	Any further resources implications / impact on other service areas					
W	Trend Analysis to support future efficiency If included within forecasting model – please attach					
Section D : Financial Analysis						
X	Actual or Estimated Figures used to Calculate Efficiency	Delete where applicable		Aura Business Plan		
		<input checked="" type="checkbox"/> Actual Figures <input type="checkbox"/> Estimated Figures	Y	Confirm source of figures		
		Z	If estimated ensure you assumptions are completed		AA	Confirm when actual figures will be available
		AB	If estimated give assessment of financial robustness	1	2	3
Section E : Challenge						
		Name	Date	Version Reviewed	Comments	Further Action Required if Applicable
AC	Service Manager					
AD	Chief Officer	Neal Cockerton	8/11/18			
AE	Finance Challenge	Emma Jamieson	8/11/18			
AF	Chief Officers Team					

Appendix 1, Modelling : Method Statement – Efficiency Savings

AG	Submit within Integrated Impact Assessment within CAMMS					
AH	Portfolio Member Informed					

Appendix 1, Modelling : Method Statement – Efficiency Savings

Version Control:	Stage: 1	No: 1.1	06/06/18
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Section A: Impact				
A	Portfolio	Organisational Change 2		
B	Service	Organisational Change		
C	Service Type	Newydd Catering & Cleaning		
D	Efficiency Title	10% Reduction in FCC subsidy		
E	Efficiency to occur in Financial Year	2019/20	F Budget Code	UFJ1515731
G	Original Budget in Current Year (18/19) relating to this Efficiency	£742,937	H Efficiency	£61,400
I	Implementation Costs associated with this efficiency	If yes – completed below	J If no – provide a reason:	
K	Implementation Costs	N/A	L Budget Code	
M	Sources	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	N If capital is this included within the current capital programme?	Y / N If no – completed Attach link
O	Impact Assessment Completed?	N		
Section B : Reason				

Appendix 1, Modelling : Method Statement – Efficiency Savings

P	Category for Efficiency:	1. Policy Reform	2. Service Reform	3. Income Generation	4. Efficiency Review	5. Pressure Reduction	6. Other Please provide details	
	Please Tick				X			
Q	One off or Reoccurring Efficiency	<input type="checkbox"/> One off Efficiency <input checked="" type="checkbox"/> Recurring Efficiency		R If reoccurring, state financial impact for the next three years		19/20 £61,400	20/21 £55,192	21/22 £50,169
S	For Categories 1-7 provide / attach evidence to support category of Efficiency <i>NB – Attach forecasting model if relevant or any other evidence to support the reason for Efficiency</i>	SLA			2019/20 Budget	2020/21 Budget	2021/22 Budget	
		MTFP			668,320	551,918	501,693	
		Inc. staffing budget for 17/18 uplift						
		add. pension cost 18.1%			(55,035)			
		Agreed efficiency Target 10% less inflation			(61,400)	(55,192)	(45,654)	
		SLA			551,918	501,693	456,039	
Section C : Methodology								
T	Methodology of Calculation State the basis of calculation. E.g. pay – does it include current on costs / pays scale / period it applies to. If over 1 financial include estimate of pay increase (approx. 2%) and inflation Include assumptions regarding demand. Cross reference to forecasting model if appropriate							

Appendix 1, Modelling : Method Statement – Efficiency Savings

U	Please state any assumptions made in this calculation	10% reduction in the FCC subsidy as agreed on transfer				
V	Any further resources implications / impact on other service areas					
W	Trend Analysis to support future efficiency <b style="color: red;">If included within forecasting model – please attach					
Section D : Financial Analysis						
X	Actual or Estimated Figures used to Calculate Efficiency	<i>Delete where applicable</i>		Y Confirm source of figures Aura Business Plan		
		<input checked="" type="checkbox"/> Actual Figures <input type="checkbox"/> Estimated Figures	Z If estimated ensure you assumptions are completed			
		AB If estimated give assessment of financial robustness	1	2	3	
Section E : Challenge						
		Name	Date	Version Reviewed	Comments	Further Action Required if Applicable
AC	Service Manager					
AD	Chief Officer	Neal Cockerton	8/11/18			

Appendix 1, Modelling : Method Statement – Efficiency Savings

AE	Finance Challenge	Zoe Roberts	8/11/18			
AF	Chief Officers Team					
AG	Submit within Integrated Impact Assessment within CAMMS					
AH	Portfolio Member Informed					

Appendix 1, Modelling : Method Statement – Efficiency Savings

Version Control:	Stage: 1 / 2 / 3	No: 1.1	Date: 03/10/2018
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Section A: Impact				
A	Portfolio	Chief Executives		
B	Service	Corporate Finance		
C	Service Type			
D	Efficiency Title	HRA Support Services Recharge		
E	Efficiency to occur in Financial Year	2019/20	F Budget Code	GCG1157998
G	Original Budget in Current Year (18/19) relating to this Efficiency	£1,408,043	H Efficiency	£158,000
I	Implementation Costs associated with this efficiency	If yes – completed below No	J If no – provide a reason:	This efficiency relates to revised recharges to the HRA and will not incur any implementation costs.
K	Implementation Costs	£n/a	L Budget Code	n/a
M	Sources	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	N If capital is this included within the current capital programme?	Y / N If no – completed Attach link
O	Impact Assessment Completed?	No		

Appendix 1, Modelling : Method Statement – Efficiency Savings

Section B : Reason								
P	Category for Efficiency:	1. Policy Reform	2. Service Reform	3. Income Generation	4. Efficiency Review	5. Pressure Reduction	6. Other Please provide details	
	Please Tick						✓ Revised allocation of Support Service costs to the HRA	
Q	One off or Reoccurring Efficiency	<input type="checkbox"/> One off Efficiency <input checked="" type="checkbox"/> Recurring Efficiency		R If reoccurring, state financial impact for the next three years		19/20 £158,000	20/21 £158,000	21/22 £158,000
S	For Categories 1-7 provide / attach evidence to support category of Efficiency <i>NB – Attach forecasting model if relevant or any other evidence to support the reason for Efficiency</i>	<p>A review has been undertaken on the HRA support service recharges following the consultation by Alan Gay. A further full detailed review will be undertaken in Mar 2019 as part of the year end support recharge work and the comparative data provided by Housemark of eligible cost recharges between the HRA and Council fund for all local stock owned Councils. Initial findings are detailed below.</p> <ul style="list-style-type: none"> Increase in Chief Officer time apportionment Increase in Personal Assistant time apportionment Multi-functional device (printer) recharges Postage recharges Call Centre Manager time apportionment Garden maintenance Fleet recharges Apportionment of professional support charges <p>L:\FCC_Files\share_Multipath\Housing & Assets Finance\HRA\Support Services\Housing Revenue Account Paper - Support Recharges.docx</p>						
Section C : Methodology								
T	Methodology of Calculation State the basis of calculation. E.g. pay – does it include current on costs / pays scale / period it applies to. If over 1 financial include estimate of pay increase (approx. 2%) and inflation	<p>The calculation is based on 2019/20 salary costs and estimates for usage based on revised apportionments and up to date unit data.</p>						

Appendix 1, Modelling : Method Statement – Efficiency Savings

	Include assumptions regarding demand. Cross reference to forecasting model if appropriate					
U	Please state any assumptions made in this calculation	The assumption has been made that no double counting has taken place (e.g. nothing has been included in the Contact Centre efficiencies or Chief Executive efficiencies). This is still to be verified.				
V	Any further resources implications / impact on other service areas					
W	Trend Analysis to support future efficiency If included within forecasting model – please attach					
Section D : Financial Analysis						
X	Actual or Estimated Figures used to Calculate Efficiency	Delete where applicable		Confirmed		
		<input type="checkbox"/> Actual Figures <input checked="" type="checkbox"/> Estimated Figures	Y Confirm source of figures			
		Z If estimated ensure you assumptions are completed		AA Confirm when actual figures will be available	These will continue to be firmed up following review. No identified risk to current efficiency	
		AB If estimated give assessment of financial robustness	1	2	3	
Section E : Challenge						
		Name	Date	Version Reviewed	Comments	Further Action Required if Applicable
AC	Service Manager					
AD	Chief Officer	Neal Cockerton	28/9/18			

Appendix 1, Modelling : Method Statement – Efficiency Savings

AE	Finance Challenge	Rachael Corbelli	29/9/18			
AF	Chief Officers Team					
AG	Submit within Integrated Impact Assessment within CAMMS					
AH	Portfolio Member Informed					

Appendix 1, Modelling : Method Statement – Efficiency Savings

Version Control:	Stage: 1 / 2 / 3	No: 1.1	Date: 23/08/18
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Section A: Impact				
A	Portfolio	STREETSCENE & TRANSPORTATION		
B	Service	Transportation		
C	Service Type	Internal		
D	Efficiency Title	Transport Historical Anomalies & Impact of Concessionary Fare Increase		
E	Efficiency to occur in Financial Year	2019/20	F Budget Code	
G	Original Budget in Current Year (18/19) relating to this Efficiency	£0	H Efficiency	£0.100m
I	Implementation Costs associated with this efficiency		J no	Resources are already in place
K	Implementation Costs	£	L Budget Code	TLA
M	Sources	x Revenue	N If capital is this included within the current capital programme?	Y / N If no – completed Attach link
O	Impact Assessment Completed?	<u>Impact of Concessionary Fare Increase & Historical Anomalies – Service 9/X9</u> <u>Current Annual Costs</u>		

Appendix 1, Modelling : Method Statement – Efficiency Savings

		<table><tr><th>Route</th><th>Vehicle Capacity</th><th>Estimated No. of Pupils</th><th>School Transport (Gross cost)</th><th>FCC public transport (Gross cost)</th><th>Gross Cost Total</th><th>Estimated Fare Revenue</th><th>Concessionary Fare Reimbursement</th><th>Estimated Net Cost</th></tr><tr><td>9/X9</td><td>98</td><td>91 (21 qualify)</td><td>£112,100.00</td><td>£231,357.00</td><td>£343,457.00</td><td>£25,218.00 (average)</td><td>£22,474.00 (average)</td><td>£295,765.00</td></tr></table>	Route	Vehicle Capacity	Estimated No. of Pupils	School Transport (Gross cost)	FCC public transport (Gross cost)	Gross Cost Total	Estimated Fare Revenue	Concessionary Fare Reimbursement	Estimated Net Cost	9/X9	98	91 (21 qualify)	£112,100.00	£231,357.00	£343,457.00	£25,218.00 (average)	£22,474.00 (average)	£295,765.00						
Route	Vehicle Capacity	Estimated No. of Pupils	School Transport (Gross cost)	FCC public transport (Gross cost)	Gross Cost Total	Estimated Fare Revenue	Concessionary Fare Reimbursement	Estimated Net Cost																		
9/X9	98	91 (21 qualify)	£112,100.00	£231,357.00	£343,457.00	£25,218.00 (average)	£22,474.00 (average)	£295,765.00																		
		<p>Cabinet approval:</p> <ul style="list-style-type: none">• Implementation from 1st October 2018 to withdraw the public transport service• Implementation from 1st January 2019 to withdraw registered school bus at peak times• Provide dedicated school buses for eligible pupils (will require notice to existing operator, Traffic Commissioner and re-procurement• Sell concessionary spare seats (on application) on the school buses to non-eligible pupils who were																								
		<p><u>Actual Costs April 2018-December 2018</u></p> <table><tr><th>Route</th><th>Vehicle Capacity</th><th>Estimated No. of Pupils</th><th>School Transport (Gross cost)</th><th>FCC public transport (Gross cost)</th><th>Gross Cost Total</th><th>Estimated Fare Revenue</th><th>Concessionary Fare Reimbursement</th><th>Estimated Net Cost</th></tr><tr><td>9/X9</td><td>98</td><td>91 (21 qualify)</td><td>£74,733.33</td><td>£115,678.51</td><td>£190,411.84</td><td>£16,812.00</td><td>£11,237.04</td><td>£162,362.80</td></tr></table>							Route	Vehicle Capacity	Estimated No. of Pupils	School Transport (Gross cost)	FCC public transport (Gross cost)	Gross Cost Total	Estimated Fare Revenue	Concessionary Fare Reimbursement	Estimated Net Cost	9/X9	98	91 (21 qualify)	£74,733.33	£115,678.51	£190,411.84	£16,812.00	£11,237.04	£162,362.80
Route	Vehicle Capacity	Estimated No. of Pupils	School Transport (Gross cost)	FCC public transport (Gross cost)	Gross Cost Total	Estimated Fare Revenue	Concessionary Fare Reimbursement	Estimated Net Cost																		
9/X9	98	91 (21 qualify)	£74,733.33	£115,678.51	£190,411.84	£16,812.00	£11,237.04	£162,362.80																		
		<p><u>Actual Costs January 2019-March 2019</u></p> <p>2 x 53 seat coaches @ £40,000 per bus per annum / 3 months = £20,000.00</p> <p>Local transport arrangements for Service 9/X9 withdrawal x 3 months = £6,250.00</p> <p>Estimated take-up of concessionary spare seats @ 75% (53 pupils) x 1 term of £100.00 per pupil = £5,300.00 income</p> <p>Total costs 2018/2019 = £183,312.80</p> <p>Savings = £112,452.20</p>																								

Appendix 1, Modelling : Method Statement – Efficiency Savings

Full year impact 2019-2020 (based on actuals)

2 x 53 seat coaches @ £40,000 per bus per annum = £80,000.00

Local transport arrangements for Service 9/X9 withdrawal = £25,000.00

Estimated take-up of concessionary spare seats @ 75% (53 pupils) x 3 terms of £100.00 per pupil = £15,900 income

Residual costs = £89,100.00

Overall savings year on year = £94,212.80

Impact of Concessionary Fare Increase & Historical Anomalies – Service S12 (Wepre – Connah's Quay High School)

Current Annual Costs

Route	Vehicle Capacity	Estimated No. of Pupils	School Transport (Gross cost)	FCC public transport (Gross cost)	Gross Cost Total	Estimated Fare Revenue	Concessionary Fare Reimbursement	Estimated Net Cost
S12	78	75 (non-qualifying)	£31,350.00	£0.00	£31,350.00	£0.00 (Operator retains)	£0.00	£31,350.00

Cabinet approval:

- Undertake consultation on future provision of service with pupils and school to understand the demand and consider the following options:

Option 1) Withdraw the service completely from 1st April 2019

Option 2) Raise fares to cover full operating costs

Estimated costs April 2018-March 2019

Route	Vehicle Capacity	Estimated No. of Pupils	School Transport (Gross cost)	FCC public transport (Gross cost)	Gross Cost Total	Estimated Fare Revenue	Concessionary Fare Reimbursement	Estimated Net Cost

Appendix 1, Modelling : Method Statement – Efficiency Savings

S12	78	75 (non-qualifying)	£31,350.00	£0.00	£31,350.00	£0.00 (Operator retains)	£0.00	£31,350.00
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Option 1 - Withdraw the service completely from 1st April 2019
Saving = £31,350.00

Option 2 - Raise fares to cover full operating costs
Current fares: £1.00 per day per pupil

- Fare increase to £2.20 per day assuming that all 75 pupils continue to travel
 - 75% of pupils continue to travel = fare revenue £23,408 (shortfall of £7,942)
 - 50% of pupils continue to travel = fare revenue £15,844 (shortfall of £15,506)
- If only 75% of pupils continue to travel, fare increase would need to be to £3.00 per day
- If only 50% of pupils continue to travel fare increase would need to double to £4.40 per day

Impact of Concessionary Fare Increase & Historical Anomalies – Service SP1/SP2 (now re-numbered to 5/5A)

Current Annual Costs

Route	Vehicle Capacity	Estimated No. of Pupils	School Transport (Gross cost)	FCC public transport (Gross cost)	Gross Cost Total	Estimated Fare Revenue	Concessionary Fare Reimbursement	Estimated Net Cost
5/5A	98	85 (15 qualify)	£104,500.00	£96,464.00	£200,964.00	£0.00 (operator retains)	£0.00	£200,964.00

Cabinet approval:

- Public transport service will remain, as it operates on the core bus network
- Provide dedicated school buses for eligible pupils (will require notice to existing operator, Traffic Commissioner and re-procurement).
- Implementation from 1st January 2019

Appendix 1, Modelling : Method Statement – Efficiency Savings

- Sell concessionary spare seats (on application) on the school buses to non-eligible pupils who were enrolled at either Mold Alun, Ysgol Maes Garmon, Buckley Elfed High School up to and including Sept 2017.
- Phase out service over 5 year period
- Undertake consultation from 1st September 2018 to inform pupils / parents of intended withdrawal of the service.
- Undertake consultation with Buckley Elfed and Mold Alun High School - September 2018 (minimum 2 months' notice)

Actual Costs April 2018-December 2018

Route	Vehicle Capacity	Estimated No. of Pupils	School Transport (Gross cost)	FCC public transport (Gross cost)	Gross Cost Total	Estimated Fare Revenue	Concessionary Fare Reimbursement	Estimated Net Cost
5/5 A	98	85 (15 qualify)	£69,666.67	£64,309.33	£133,976.00	£0.00	£0.00	£133,976.00

Actual Costs January 2019-March 2019

2 x 53 seat coaches @ £40,000 per bus per annum / 3 months = £20,000.00

Estimated take-up of concessionary spare seats @ 75% (53 pupils) x 1 term of £100.00 per pupil = £5,300.00 income

Total costs 2018/2019 = £148,676.00

Savings = £52,288.00

Full year impact 2019-2020 (based on actuals)

Public transport service £96,464.00 per annum

2 x 53 seat coaches @ £40,000 per bus per annum = £80,000.00

Estimated take-up of concessionary spare seats @ 75% (53 pupils) x 3 terms of £100.00 per pupil = £15,900 income

Residual costs = £158,564.00

Increase from 18/19 to 19/20 = £9,888.00

Impact of Concessionary Fare Increase & Historical Anomalies – Service Z125 (Pentre Halkyn Windmill to Mold Campus)

Appendix 1, Modelling : Method Statement – Efficiency Savings

Current Annual Costs								
Rout e	Vehicl e Capac ity	Estimate d No. of Pupils	School Transport (Gross cost)	FCC public transport (Gross cost)	Gross Cost Total	Estimated Fare Revenue	Concessionar y Fare Reimburseme nt	Estimated Net Cost
Z12 5	74	70 (20 qualify)	£43,975.00	£0.00	£43,975 .00	£0.00 (operator retains)	£0.00	£43,975.0

Cabinet approval:

- Provide dedicated school buses for eligible pupils (will require notice to existing operator, Traffic Commissioner and re-procurement).
- Implementation from 1st January 2019
- Sell concessionary spare seats (on application) on the school bus to non-eligible pupils who were enrolled up to and including Sept 2017.
- Phase out service over 5 year period
- Undertake consultation from 1st September 2018 to inform pupils / parents of intended withdrawal of the service.
- Undertake consultation with Mold Alun High school - September 2018 (minimum 2 months' notice)

Actual Costs April 2018-December 2018								
Rou te	Vehicl e Capaci ty	Estimate d No. of Pupils	School Transport (Gross cost)	FCC public transport (Gross cost)	Gross Cost Total	Estimated Fare Revenue	Concessionar y Fare Reimburseme nt	Estimated Net Cost
Z12 5	74	70 (20 qualify)	£29,316.67	£0.00	£29,316 .67	£0.00	£0.00	£29,316.6

Actual Costs January 2019-March 2019

1 x 74 seat double-decker @ £44,000 per bus per annum / 3 months = £11,000.00

Estimated take-up of concessionary spare seats @ 75% (38 pupils) x 1 term of £100.00 per pupil = £3,800.00 income

Total costs 2018/2019 = £36,516.67

Appendix 1, Modelling : Method Statement – Efficiency Savings

		<p>Savings = £7,458.33</p> <p>Full year impact 2019-2020 (based on actuals)</p> <p>1 x 74 seat double-decker @ £44,000 per bus per annum = £44,000.00</p> <p>Estimated take-up of concessionary spare seats @ 75% (38 pupils) x 3 terms of £100.00 per pupil = £11,400 income</p> <p>Residual costs = £32,600.00</p> <p>Estimated savings year on year = £3,916.67</p>									
Section B : Reason											
P	<p>Category for Efficiency:</p> <p style="text-align: right;">Please Tick</p>	1. Policy Reform	2. Service Reform	3. Income Generation	4. Efficiency Review	5. Pressure Reduction	6. Other Please provide details				
				x							
Q	<p>One off or Reoccurring Efficiency</p>	<input type="checkbox"/> One off Efficiency <input checked="" type="checkbox"/> Recurring Efficiency		R If reoccurring, state financial impact for the next three years		19/20 £0.100m	20/21 £0m	21/22 £0m			
S	<p>For Categories 1-7 provide / attach evidence to support category of Efficiency</p> <p><i>NB – Attach forecasting model if relevant or any other evidence to support the reason for Efficiency</i></p>	<p>Re assessment of current provision leading to a reduction in a number of Public / Schools transport routes that are deemed to be outside 'normal service provision'.</p>									
Section C : Methodology											
T	<p>Methodology of Calculation</p> <p style="color: red;">State the basis of calculation.</p>	<p>Impact of concessionary fare increase & historical anomalies</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 33%; text-align: center;">Route</td> <td style="width: 33%; text-align: center;">18/19 revised costs</td> <td style="width: 33%; text-align: center;">19/20 full year costs</td> </tr> </table>							Route	18/19 revised costs	19/20 full year costs
Route	18/19 revised costs	19/20 full year costs									

Appendix 1, Modelling : Method Statement – Efficiency Savings

	<p>E.g. pay – does it include current on costs / pays scale / period it applies to. If over 1 financial include estimate of pay increase (approx. 2%) and inflation</p> <p>Include assumptions regarding demand. Cross reference to forecasting model if appropriate</p>	9/X9	£183,312.80	£89,100.00
		S12	£31,350.00	£31,350.00*
		5/5A	£148,676.00	£158,564.00
		Z125	£36,516.67	£32,600.00
		Breakfast Club **	£34,865.00	£34,865.00
		Non-application of Policy	£10,000.00	£10,000.00
		FUSE Drama Group	£1,800.00	£0.00
		TOTAL	£446,520.47	£356,479.00
		<p>NB. Above figures take account of concessionary fare take-up of 75%</p> <p>* Figure assumes worst case scenario and zero cost recovery</p> <p>** Breakfast Club transport provision savings would not be achieved until 2020/2021 and 2022/2023 when the existing pupils are due to leave school</p> <p>Efficiency = £90,041.47</p> <p><u>Impact of concessionary fare increase on existing concessions</u></p> <p>Previous estimated income £165.00 per annum x 20 pupils = £3,300.00</p> <p>Estimated income £300.00 per annum x 20 pupils = £6,000.00</p> <p>Efficiency = £2,700.00</p> <p>Overall efficiency = <u>£92,741.47</u></p>		
U	Please state any assumptions made in this calculation			

Appendix 1, Modelling : Method Statement – Efficiency Savings

V	Any further resources implications / impact on other service areas					
W	Trend Analysis to support future efficiency If included within forecasting model – please attach					
Section D : Financial Analysis						
X	Actual or Estimated Figures used to Calculate Efficiency	<i>Delete where applicable</i> <input type="checkbox"/> Actual Figures <input checked="" type="checkbox"/> Estimated Figures	Y Confirm source of figures			
			Z If estimated ensure you assumptions are completed		AA Confirm when actual figures will be available	
		AB If estimated give assessment of financial robustness	1			
Section E : Challenge						
		Name	Date	Version Reviewed	Comments	Further Action Required if Applicable
AC	Service Manager	K Wilby	24/09/18	1.1		
AD	Chief Officer	S Jones	24/09/18	1.1		
AE	Finance Challenge	D Ledsham	24/09/18	1.1		
AF	Chief Officers Team					
AG	Submit within Integrated Impact Assessment within CAMMS					
AH	Portfolio Member Informed					