

## APPENDIX 3 - SAVINGS ALREADY DELIVERED

1. The Council has faced truly unprecedented cuts to its grants from central Government which have now forced us to make ongoing annual savings of £133.692m. The need for savings has increased each year due to Government grant cuts, inflation, increasing demand for social care services and other services and other pressures. Ongoing savings delivered by year are detailed below:-

	£m
2009/10	4.156
2010/11	6.725
2011/12	11.659
2012/13	19.069
2013/14	11.306
2014/15	17.204
2015/16	10.237 (Includes in-year cut to Public Health grant)
2016/17	15.743
2017/18	13.815
2018/19	7.568
2019/20	6.066
2020/21	2.860
2021/22	7.284
<b>Full</b>	<b>133.692</b>

2. **This is equal to over £1,650 pa less that the Council has available to fund services for every household in Telford and Wrekin.** In delivering these savings, we have applied the principle of ‘as far as possible minimising the impact on priority front-line services’. This principle remains at the core of our current strategy although it is now inevitable that we have to increasingly put some savings proposals forward that will have significant consequences on front line services. Savings delivered to date include:-
3. **Council Jobs –**
  - Deleted 1,660 posts since April 2010, saving over £40m pa following major redesign and restructuring of the organisation to meet the challenges facing the Council. This has seen 625 vacancies deleted and 1035 redundancies. Through effective redeployment only 175 of these have been compulsory redundancies.
  - Redeployed 3,512 people (including some people who have been redeployed more than once as many teams have faced several restructuring processes) within the organisation as a result of restructuring with many employees now having been redeployed more than once.

- Since 2009 staff pay has been cut by over 20% in real terms (comparing average pay awards which have been greater at lower pay levels to reflect increases in the Government's minimum wage and inflation as measured by the Retail Prices Index).

#### **4. Senior managers**

- Reduced the size of the senior management team by 50% from 28 posts, to 14 after the restructure announced in December 2019.
- Cut the number of middle managers by almost 50%.

#### **5. Back office costs**

- Cut back-office costs by over 50% since 2009, saving £13m a year.
- This scale of reduction is significantly greater than what most authorities have achieved through outsourcing or sharing services and has been achieved much more quickly as protracted negotiations with other councils or third party providers have been avoided. Retaining full control of these services also allows maximum flexibility to drive further changes in future.

#### **6. Buying better value services**

- Delivered £14.4m procurement savings over the past 13 years by renegotiating and re-tendering contracts for the provision of services.
- Secured savings of £30m over the lifetime of the waste collection and disposal contract.
- The Grounds & Cleansing contract is delivering savings of £695,000 pa and a better standard of service.

#### **7. Additional Income**

- As part of our business winning approach, we expect to generate an extra £7.5m income by 2020, through growth in business rates and council tax since the introduction of the new local government finance system in April 2013.
- We will receive around £3.5m in 2021/22 from the New Homes Bonus paid by the Government to reward councils for increasing housing supply which is in line with figures issued as part of the provisional local government finance settlement.
- Increased income from more commercial approaches across our services over recent years, including increasing income from schools outside of Telford & Wrekin.
- As outlined earlier in this report, a strand of our approach to dealing with the Government's cuts to our Revenue Support Grant has been to increase income including through schemes that deliver wider benefits to the Borough such as regeneration of brown field sites, attracting new and retaining existing

jobs. This additional income, after covering associated marginal costs makes a contribution to our fixed costs and has reduced the cuts to front line services that we would otherwise have to make.

- Income streams include the overall positive impact to the Council from our investment in high quality homes for private and affordable rent through our wholly owned company, NuPlace, which is projected to exceed £1.8m in 2021/22 after covering all additional costs. NuPlace Ltd profit before tax was £0.620m in 2020/21 and will be lower in 2021/22 as anticipated. It is also anticipated that the Council will receive a dividend from NuPlace in 2021/22.
- The profit from the solar farm which will exceed £0.25m and the net additional income from the Property Investment Portfolio which is being boosted by benefits being delivered from the Telford Growth Fund is projected to exceed £8.0m in 2021/22.
- Our success in delivering high quality support and advisory services to schools – whether they be maintained schools or Academies and whether located within the Borough – or increasingly, outside the Borough is also making a contribution.

#### **8. Council buildings**

- Disposed of 27 properties including the former Civic Offices building.
- Reduced the office space we use by a third, saving the Council £2m. p.a.
- Four operational properties are currently being used.
- With staff adapting to home working as a result of Covid 19, a new hybrid mix of office and home working has been implemented. This could create further opportunities for efficiencies within the operational property estate.