

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 £156.885m. 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 |
| 2022/23 | 7.221 |
| 2023/24 | 15.972 |
| | 156.885 |

2. **This is equal around £1,900 pa 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 –**
 - Significant reductions in headcount were necessary during the period of the Government's austerity programme austerity.
 - Since 2009 staff pay has been cut by over 23% 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 Consumer Prices Index).

4. Senior managers

- Reduced the size of the senior management team by 50% from 28 posts, to 14.
- Cut the number of middle managers by almost 50%.

5. Back office costs

- Cut back-office costs by over 50% since 2009, saving £14.9m 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 £15.8m procurement savings over the past 15 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.

7. Additional Income

- We will receive around £2.3m in 2023/24 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 at £2.0m in 2023/24 after covering all additional costs. NuPlace Ltd profit before tax was £0.573m in 2022/23 and is forecast at £0.450m in 2023/24 as full year interest charges and increased costs of operation are incurred. It is also anticipated that the Council will receive a dividend from Nuplace in 2023/24.

- The profit from the solar farm which will exceed £0.7m 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 £8.7m in 2023/24.
- 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 29 properties including the former Civic Offices building, Wellington Civic and Addenbrooke House.
- With staff adapting to home working, a new hybrid mix of office and home working has been implemented which has enabled further reductions in accommodation budgets.
- We have reduced the office space we use by more than fifty percent, saving the Council £2.35m. p.a.