

## Strategic Fair Treatment Assessment – draft MTFS 2019/20 to 2021/22

### Executive summary

#### **Background and Context**

The Council operates a three-year rolling budget cycle, with the current Medium Term Financial Strategy (MTFS) 2018/19 - 2020/21 approved by Full Council on 1 March 2018. As part of the budget process for 2019/20, the assumptions underlying the MTFS have been updated and rolled forward, producing a target for the level of savings required to balance the budget in 2021/22. The savings proposals approved through this process will go forward as part of the MTFS but will in most instances require further approval – which may include a fair treatment assessment and/or consultation if applicable – before implementation.

This approach enables the Council to understand and manage its projected financial position over the medium term, while providing sufficient time for members and officers to properly assess, consult upon and plan for the delivery of those savings proposals which are particularly significant or challenging. Savings delivery is monitored through the Aligning Resources to our Priorities (ARTOP) Board, and any saving which cannot be delivered can be withdrawn and replaced with another proposal of equivalent value. The Council also maintains a Budget Strategy Reserve which can be used to protect against the risk of non-delivery of savings.

This report provides a high level strategic Fair Treatment Assessment (FTA) of the proposals set out in the draft MTFS to meet the forecast funding gap of £19 million over the period from 2019/20 to 2021/22, including the savings options put forward for 2021/22 and the council tax increase recommended for 2019/20. This strategic FTA is not intended as a substitute for detailed FTAs of individual savings proposals, which will be undertaken separately where necessary before such savings are implemented, but rather to give an overview of the ways in which the draft MTFS as a whole may impact on different stakeholders and groups with protected characteristics. This will help to inform members' consideration of the draft MTFS and associated council tax increases and savings proposals.

#### **Strategy and approach**

Sustained funding cuts over recent years have placed a strain on the ability of the Council to balance its budget without making service changes and in some cases reductions. Wherever possible, budget savings which minimise the impact on the front line are prioritised, with a significant proportion of the savings (51% of the proposals for 2021/22) coming from the Resources portfolio. The draft MTFS also provides significant additional funding for adults' and children's services.

The Council also seeks to mitigate the impact of budget savings in part through its strategy of managed, inclusive growth, with the objective of increasing income generated locally through business rates, the new homes bonus and council tax. Since 2016/17, the Council has increased the core level of council tax and also

charged an adult social care precept to generate additional funding in support of vulnerable adults.

The Council acknowledges that any increase in council tax has an impact on those who meet the eligibility criteria to pay in the borough, particularly those on lower incomes. However, the MTFs needs to strike a balance between the impact on residents of an increase in council tax and the impact on staff, customers and communities of service reductions.

## **Main Stakeholders**

As a result of the nature of services provided by the Council and the scale of savings required, a range of stakeholders are likely to be affected by changes to council activity. The following stakeholders are expected to be affected in particular:

- **Staff** - Given the scale of savings required, there will inevitably be an impact on staff, both directly for staff affected by redundancy or restructuring and indirectly for staff who may experience an increase in workload as a result. The number of staff employed within the core council has reduced by 10% since September 2015 to 2,875. However, the Council aims to manage reductions consensually as much as possible, using voluntary redundancy, early retirement and natural turnover, avoiding compulsory redundancies to reduce the impact on staff wherever possible.
- **Customers** - Service provision is continuously changing. Residents may find that some services may be changed fundamentally and might be delivered in a different way; some services may reduce or stop, whilst some individuals may no longer meet locally-determined eligibility criteria so may no longer be able to access certain services.
- **Members of the general public** - could be affected by the increase in council tax, increases in fees and charges and reductions in/changes to universal services.
- **Organisations working with or supported by the Council** - The reducing level of resources will continue to have an effect on the extent to which councils can offer financial support for the work of partner organisations. Partners who receive funding from the Council may experience a change or reduction in their funding or different expectations of service delivery.
- **Businesses in the borough** – may be affected by changes to services they receive directly or by changes to services which indirectly impact on businesses, e.g. relating to transport infrastructure. Contractors working with the Council may be affected by the continual drive to improve value for money from procurement arrangements.

## **Conclusion**

The attached strategic FTA provides an overview of the areas in which particular savings proposals may have an impact on groups with protected characteristics. This initial assessment is based on existing data about our population and highlights a number of groups which may be particularly affected by the proposals set out in the draft MTFS. At this stage this potential impact has been categorised as medium, pending a more detailed assessment of individual savings and mitigating actions. There are also some groups for which this strategic FTA has not identified a potential impact; however, this will be assessed in detail using service-specific data and intelligence as part of the FTAs for specific savings proposals or service changes.