



Doncaster Council

Report

Date: 16th February, 2021

To the Chair and Members of
CABINET

REVENUE BUDGET 2021/22 – 2023/24

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Ros Jones	All	Yes

EXECUTIVE SUMMARY

1. Despite the significant financial challenges, the Council has continued to set a balanced budget whilst maintaining investment in the borough and protecting the most vulnerable in our communities. This report details the Mayor's revenue budget proposals for 2021/22 to 2023/24, continuing to deliver on our commitments, as detailed in the Corporate Plan, including being a financially well managed Council.
2. Over the last ten years, Councils have faced the position of reducing Government funding, strong demand, increasing costs and no reduction in their statutory obligations to provide services. Doncaster Council has seen its core Government funding more than halved during this period and faced a total budget gap of circa. £260m. Local spending is becoming more narrowly focused on Children's and Adult's Services with over 57% being spent in these areas. The Institute for Fiscal Studies has identified that core funding for Councils in England is set to be 3% lower in real terms per head in 2021/22 than in 2015/16.
3. On the 25th November, the Government's Spending Review¹ was presented to Parliament. Although Spending Reviews normally cover three or four years, to prioritise the response to COVID-19 and support jobs, the Government decided the look-ahead would only cover 2021/22. The Council received details of the provisional settlement on the 17th December. The Medium-term Financial Strategy (MTFS) includes all the anticipated changes to the Council's funding and baseline expenditure levels for the next three years. This has identified an overall funding gap of £18.9m over the next 3 years, with the biggest impact of £15.2m in 2021/22, this is detailed in paragraphs 30 to 40 and Appendix A.

¹ <https://www.gov.uk/government/publications/spending-review-2020-documents>

4. In 2020/21, the COVID-19 pandemic has placed unprecedented stress on Council services. In the first instance, responding to the pandemic restrictions and experiencing additional service pressures, e.g. home care & care homes, reduced income from fees and charges, council tax and business rates, and delays in delivering against savings plans set as part of the Council budget. In the next phase, from July onwards services were stepped back up in a COVID-19 secure manner to ensure the safety of Council staff and the safe delivery of public services. In some instances, this affected productivity and in others, the cost of delivery has increased. The additional funding provided by Government has helped ease the financial pressures in 2020/21 however, the future financial position remains extremely uncertain.
5. Therefore the approach taken is to keep one eye on the here and now and the other on the longer term. The Council has challenged its day to day spending and considered each staff vacancy as these have arisen. The Council has supported partners such as Doncaster Culture Leisure Trust (DCLT) to continue to operate whilst revenues are below those previously experienced. Recovery is anticipated but customer confidence to reuse these services will take time. This budget recognises the shortfall in income and provides for those much needed services to support the health and wellbeing of the public.
6. Unfortunately, there have also been other areas where additional service demands have been experienced, including Children Social Care, Adult Social Care and Homelessness. Child protection referrals were over 60% higher in both July and September compared to last year; this has led to an increase in the number and cost of placements and required additional staffing. As part of the Government Every One In policy, more people than ever before are presenting as homeless and being accommodated. Adult social care providers have also faced cost pressures due to COVID-19 and other market pressures affecting their ability to provide safe, good quality support to people to help them stay as independent and well as possible in their own homes. These service pressures will have a longer-term impact and for this reason feature in the 2021/22 budget.
7. In total, the service budget pressures are estimated at £10.2m in 2021/22, increasing to £11.7m by 2023/24. This includes £6.1m for Adults, Health & Wellbeing pressures in 2021/22, details are provided in paragraph 36 and Appendix B. In addition, the cost of pay and price inflation is estimated at £6.3m in 2021/22, increasing to £22.2m by 2023/24. This includes £1.3m set aside for Adult Social Care contracts including the impact of the Government National Living Wage in 2021/22.
8. This budget has also used the opportunity to support Greener, Fairer and More Prosperous Doncaster agenda, Tackling the Climate and Biodiversity Crisis. Provide an additional £466k to target fly tipping, which is also supported by the Council's Enforcement team, where additional funding was provided in the 2020/21 budget. The additional funding will enable enhanced services to be delivered including an increase in daily completion rate of cleansing jobs, a high quality finish in cleansing activities, improved customer satisfaction and improved lived experience, and more focussed enforcement in hotspot areas.

9. The budget includes an increase in Council Tax of 2.9% in 2021/22 (1.4% Council Tax increase and a further 1.5% increase through the Government's Adult Social Care precept). This will generate £3.4m overall and is required in order to meet the pressures detailed above, in particular those for Adult Social Care funded from the Social Care precept. This will increase the Council Tax to £1,446.10 per annum Band D (£964.07 Band A) which means an additional £40.75 for Band D Council Tax per annum or 78p per week (£27.17 for Band A per annum or 52p per week). The Council has chosen not to increase by the maximum 4.99%, including 3% Social Care precept, allowed by government to protect the citizens of Doncaster.
10. In addition, the Council is committed to protecting the most vulnerable and whilst many Councils have amended their Local Council Tax Reduction Scheme (LCTS), the Council's policy continues to provide a much needed safety net for those on low income. This budget increases this level of support for LCTS providing an additional £1.25m increasing the current provision set aside to £24.2m in 2021/22.
11. The Council Tax system continues to be disproportionate across the country and successive Governments have failed to come up with an alternative method of local taxation. The Special Interest Group of Metropolitan Authorities (SIGOMA) has calculated that the average reduction in Council core revenue spending power between 2010/11 and 2019/20 was 18.4% nationally but that the reduction for Doncaster was 26.2%. Doncaster continues to have one of the lowest Council Tax rates in comparison to other Metropolitan Districts and Unitary Authorities (the 11th lowest in 2020/21).
12. Core Spending Power (CSP) is the Government preferred measure of calculating the theoretical resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the Local Government Finance Settlement (LGFS) and represents an estimate of the resources available. It does not represent the actual resources the Council has available. The CSP based on Government assumptions is £259.0m compared to £247.5m for 2020/21, representing a £11.5m increase (4.6% increase). The actual CSP based on the Council baseline position and local decisions is £254.4m compared to £255.1m for 2020/21, representing a £0.7m decrease (0.27% decrease). The main differences being that the Government CSP assumes the maximum permitted 4.99% council tax increase, compared to the 2.9% increase detailed in this report. It also assumes that the 2021/22 council tax base increases in line with the average annual growth in its council tax base between 2016/17 and 2020/21 (2.2%) rather than the reduction of 1.6% approved by Cabinet on 12th January, 2021. The LGFS essentially ignores the effects of COVID-19, i.e. it assumes 2021/22 will be a "normal" year, as the Government intends to support Councils to deal with COVID-19 by providing specific one-off funding outside the LGFS.
13. In March 2020, budget savings of £6.6m were approved in line with the Financial Strategy (£4.7m 2021/22 and £1.9m 2022/23). Ensuring that services are targeted and make a difference to those people who need them most, making the most of technology, re-designing services so they are fit for the future and working in partnership with local communities, voluntary, charity and faith sectors to deliver services together. The savings approved in March 2020 are detailed in Appendix C.

14. However, due to the further financial challenges arising from COVID-19, the Council needed to look carefully at the cost of services being delivered by the Council and make further proposals to balance the budget. Expressions of interest for voluntary redundancy and retirement were sought to reduce staff costs. The proposals identified amount to £9.7m over the 3 years, with £5.3m in 2021/22, reducing the ongoing budget position and supporting the financial sustainability of the Council going forward. They are predominately in back office functions to mitigate the impact on front line services and those received by the public; these are detailed in paragraphs 41 to 43 and Appendix D.
15. Although the Government only provided a one-year Spending Review, the Council needs to look longer term as service change and transformation takes time to form and implement. For that reason, the Council has set out a three year balanced budget using a modest level of non-recurrent funding. This will allow the Council to move forward with some certainty and deliver these plans. There will be further challenges arising from COVID-19 and the Council needs the confidence in its financial standing to build upon.
16. This budget recognises how challenging this year has been and for many how challenging the next one will be. Unemployment continues to be high in Doncaster, there were 14,215 claimants in September, which is 7.4% of the working population. This compares with 6.7% for Yorkshire & Humber region and the 6.6% national England rate. It also recognises how challenging it has been for businesses to continue trading, whilst at the same time continuing to deliver good quality services to the public. In light of the current economic position and to support our citizens, the Council has also taken the unprecedented step of freezing the vast majority of its discretionary fees and charges, as detailed in paragraph 45.
17. The financial position remains extremely uncertain over the medium-term; the Council is facing significant volatility in its costs and levels of income from services, in addition to uncertainty in relation to its main funding sources being Government funding, business rates and council tax income. There remains the potential impact of the anticipated Fair Funding Review (FFR) and a “full reset” of the Business Rates Retention scheme. The Council has therefore reviewed the level of reserves available to ensure that it has sufficient funding available. Paragraphs 52 to 57 and Appendix H, shows the current position regarding earmarked reserves. The balance on the uncommitted General Fund reserve for 2021/22 is estimated at £16.5m; and is expected to remain at this level in 2022/23.
18. The Council is charged with maintaining a balanced budget and the Chief Financial Officer (Section 151 Officer) is required to provide a statement of financial assurance which is set out in paragraphs 58 to 63 of this report.

EXEMPT REPORT

19. Not applicable.

RECOMMENDATIONS

20. Cabinet are asked to review the information in the revenue budget report and provide updates where required.

21. That Council will be asked to approve the 2021/22 to 2023/24 Revenue Budget as set out in this report. This includes: -
- a) the Medium-term Financial Strategy (MTFS) including all proposals in this report as set out in Appendix A;
 - b) a gross revenue expenditure budget of £501.3m and a net revenue expenditure budget of £199.6m, as detailed in Appendix A;
 - c) Council Tax increasing by 2.9% to £1,446.10 for a Band D property (£964.07 for a Band A) for 2021/22. This includes:-
 - i) 1.4% Council tax increase, equating to an increase of £19.67 for Band D per annum, 38p per week (£13.12 for Band A per annum, 25p per week);
 - ii) 1.5% Government Adult Social Care precept, equating to an increase of £21.08 for Band D per annum, 40p per week (£14.05 for Band A per annum, 27p per week); - d) the revenue budget proposals for 2021/22 detailed at Appendix B (pressures £10.2m) and Appendices C and D (savings £10.0m);
 - e) Delegate the allocation of the additional £2.975m Social Care funding to the Director of Learning, Opportunities and Skills and Assistant Director of Finance (Section 151) in consultation with the Portfolio Holder for Children, Young People and Skills outlined in paragraph 39.
 - f) the 2021/22 Grants to 3rd Sector Organisations outlined in paragraph 48 and Appendix F;
 - g) the fees and charges proposed for 2021/22 at Appendix G;
 - h) note the Chief Financial Officer's positive assurance statements (detailed in paragraphs 58 to 63).

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

22. The Council will continue to care for and protect the most vulnerable in society but it is inevitable that as the Council becomes a leaner organisation that citizens will see services delivered in new and different ways.

BACKGROUND

Financial Strategy

23. We are committed to ensuring that what we are proposing in the budget meets our policy intent but also meets how we want to deliver services in the future. The Corporate Plan 2021/22 reflects the transition to a new Borough Strategy, which will replace the Doncaster Growing Together Plan. It is framed around the same six emerging well-being goals:

Goal	Vision
Greener & Cleaner Doncaster	A borough that takes every opportunity to protect and improve the local and global environment to improve well-being.
Prosperous & Connected Doncaster	A stronger, greener and fairer economy that provides good, well paid jobs and is supported by improved transport, active travel and digital infrastructure.

Goal	Vision
Safe & Resilient Doncaster	Residents feel safe and communities are more resilient to challenges and emergencies.
Healthy & Compassionate Doncaster	A Compassionate Doncaster that improves the conditions and opportunities for better health and how we care for our most vulnerable residents.
Skilled & Creative Doncaster	Residents have improved skills and a creative culture supports well-being, business success and solutions to the borough's challenges.
Fair & Inclusive Doncaster	A borough with reduced inequalities and improved access for all to social and economic opportunities.

24. The well-being goals mark a significant turning point in Doncaster's commitment to improve life now and for future generations as they are guided by the fundamental need to balance the wellbeing of people with the wellbeing of the planet. This is reflected in one central mission: Thriving People, Places and Planet.
25. This budget supports the transition to these new well-being goals and the approach that will be taken to deliver them: -
- a) New ways of doing things - to improve the future
 - b) Regenerative Development
 - c) Working closer with communities
 - d) Shared Responsibilities - locally and regionally
 - e) Intelligence led Interventions
 - f) Whole Life, Whole System integration
26. For example, to support the 'Greener & Cleaner' Goal funding is provided for the Environment and Sustainability Strategy, in response to the climate change and biodiversity emergency declaration. Resources are also being increased to target fly tipping.
27. This budget is also an integral part of the 'Connected Council' section in the Corporate Plan which sets out how the Council will continue to develop the capabilities, resources, technology and knowledge needed to deliver quality services and work with communities and partners to improve well-being. This includes a number of things that the Council needs to do well: -
- a) Respond to our customers quickly, focusing on a quality customer experience.
 - b) Process Housing and Council Tax queries quickly and appropriately.
 - c) Ensure more people can access Council services digitally.
 - d) Collect Council Tax and Business Rates effectively.
 - e) Wherever possible spend our money locally.
 - f) Support employees to improve performance, engagement and attendance.
 - g) Provide expert advice for all aspects of council business.
28. The financial strategy should also be read in conjunction with other Council strategy documents including Capital Programme, Housing Revenue Account (HRA) budget, Treasury Management Strategy and Capital Strategy.

Medium-term Financial Strategy (MTFS) 2021/22 to 2023/24

29. The MTFS includes the estimated changes to the Council's main sources of income (i.e. central government grant and local taxation), corporate expenditure (e.g. capital financing costs) and pressures on services (arising from inflation, demand or legislative changes such as the increase to the government national minimum wage) based on current information. The estimated gap for 2021/22 to 2023/24 is £18.9m, summarised below and further details provided in Appendix A.

EXPLANATION OF THE FUNDING GAP

30. The table below summarises the year on year changes to the MTFS: -

	2021/22 £m	2022/23 £m	2023/24 £m	Total 2021/22 – 2023/24 £m
Baseline Income & Government Grants	72.6	-20.9	-1.5	50.2
Council Tax Income	1.5	-5.3	-5.2	-9.0
Grant Exit Strategies	-31.9	0.0	0.0	-31.9
Pay & Price Inflation	6.3	7.2	8.7	22.2
Levying Bodies & Other Expenditure	3.1	0.2	-0.1	3.2
Service Pressures	10.2	1.2	0.3	11.7
Funding Gap	61.8	-17.6	2.2	46.4
Use of One-off Reserves	-46.6	19.1	0.0	-27.5
Gap	15.2	1.5	2.2	18.9

31. The baseline income and government grants reduce significantly in 2021/22 for two reasons. Firstly, section 31 grants for business rate reliefs of £19.1m received in 2020/21 will not be received in 2021/22. Secondly, the 2020/21 collection fund deficit created by providing these reliefs has to be recovered in 2021/22 (these are legislative requirements). The use of one-off reserves changes by £46.6m because in 2020/21 £27.5m was put into reserves and in 2021/22, £19.1m is being taken out of reserves (these transfers into/out of reserves facilitate carrying forward the section 31 grants for business rate reliefs from 2020/21 to 2021/22 to fund the collection fund deficit as described above).

32. The change includes the anticipated reduction of business rates income of £1.2m in 2021/22; based on the current baseline position, which is 1.2% lower than the starting position for 2020/21, and a further 1.2% reduction estimated for 2021/22. The estimated income from business rates could potentially worsen considerably depending on the economic position affecting businesses and the availability of business rate reliefs provided by government. In 2020/21, government provided £38m additional business rate reliefs to businesses in Doncaster.

33. The forecast decrease in Council Tax income for 2021/22 is due to a number of contributing factors. This includes an estimated increase in the cost of the Local Council Tax Reduction Scheme of £1.25m, anticipated worsening of the collection rate from 98.6% to 97.5% based on 2020/21 collection trends impacted by COVID-19 and the distribution of the collection fund deficit from 2020/21 of

£4.5m (£1.5m per year spread over three years). This is offset by additional income from growth forecast (based on the current tax base and assumptions for 2021/22) of £0.7m and the £3.4m additional income generated from the 1.4% Council Tax increase and 1.5% government Adult Social Care precept.

34. The above highlights the significant impact of changes to the income generated from Council Tax and Business Rates on the baseline funding position for the Council; these income sources provide 44% of the Council's baseline funding. Therefore, attention will need to be focused on these critical income streams to minimise the reductions as much as possible to maintain funding levels and prevent further savings being required.
35. The additional cost of pay and price inflation is estimated at £6.3m in 2021/22, increasing to £22.2m by 2023/24. This provides for estimated rising pay costs of £4.8m in 2021/22, increasing to £11.4m by 2023/24. The cost of contract inflation is estimated at £2.8m in 2021/22, increasing to £10.4m by 2023/24; this includes increases each year for the Adult Social Care contracts including the impact of the government national minimum wage. The price inflation pressure is lower than previously anticipated due to the current national financial position and expectations for 2021/22. As a result of COVID-19 restrictions and the related economic slowdown, the Office for Budget Responsibility (OBR) reported that the UK's Gross Domestic Product (GDP) dropped by a record 19.8% in the first three months of 2020/21. The OBR expects the economy to contract by 11.3% this year, with the output not returning to pre-crisis levels until the final quarter of 2022. There will also be "long-term scarring" - the economy will be around 3% smaller than expected in the March Budget, in 2025.
36. The MTFS includes an adjustment to provide sufficient baseline funding for Adult Social Care. This is based on the funding required for the current care ladder activity, taking into account the savings for 2020/21. It also provides minimal growth for future years in line with our current strategy, which seeks to keep people in their own homes for longer and build on the potential for prevention and innovation that exists. The adjustment to the baseline is £1.3m budget reduction in 2021/22, followed by increases of £0.8m in 2022/23 and £0.9m in 2023/24, on the basis of the following assumptions: -
 - i) Older People Residential – demographic growth has been included for 2023/24 only, based on latest POPPI/PANSI information. The demographic growth in 2021/22 and 2022/23 will be managed in accordance with the current strategy.
 - ii) Working Age Residential – provides for demographics and transitions, including growth due to mental health, based on net growth of 12 per annum for each of the next three years. This is based on the average number of placements made in the last two years.
 - iii) Non-residential – assumes no growth, based on effective assessments taking place, strong front door, greater use of Assistive Technology and improved working practices.
37. Although the Council is currently forecasting a breakeven position for 2020/21 with the use of one-off COVID-19 funding, there are a number of pressures that are expected to continue into 2021/22, and in some cases beyond. The MTFS provides the funding to meet these service pressures and provides minimal growth essential to deliver our priorities without placing additional burdens on the

Council to deliver greater savings. These pressures are fully detailed in Appendix B. The baseline budget will be increased for the pressures identified on an ongoing basis. A negative figure shows where the funding is being removed to account for one-off pressures in previous years.

38. During 2020/21, the Council has responded to the changing levels of personal restrictions, which have affected our personal freedoms and business activity. The Government have provided resources through specific grants and the Council's role has been to administer these in accordance with the conditions of the grants. The majority of these will be expended in 2020/21, reported as part of the Finance and Performance Reports and do not feature as part of this budget report. There will be some grants in respect of COVID-19 that are expected to impact on 2021/22, which are detailed in the specific grants section in Appendix A. This will include £9.79m announced for further emergency funding and the indicative allocation of £2.79m of local council tax support grant. The Council is also expecting compensation for 2020/21 council tax and business rate losses, although the details of how this scheme will work are not yet available and therefore it is uncertain if this grant will impact on 2021/22.
39. The MTFS includes £2.975m for the additional Social Care Support grant, which was announced in the Spending Review. This funding will be allocated in 2021/22 only, to provide for additional Children Social Care pressures that are not provided in the MTFS and detailed in Appendix B. The service demand pressures include over 60% more referrals in July and September compared to the previous year leading to higher numbers of Children In Need, on average 18% higher for the period September to November, greater numbers of Children with a Child Protection Plan, circa. 28% increase for the same period, and Children in Care. Although the estimated impact on the majority of the budget areas in 2021/22 is detailed in Appendix B, there are further areas which will be met from this funding allocation. This includes funding for additional social workers to ensure caseloads are manageable and contingency funding for service reviews. The MTFS assumptions included £1.2m projected income from the DfE in 2021/22, following further discussions this income will not be received. The Social Care support grant will be utilised to meet this £1.2m income shortfall and continue to provide the baseline funding; this position will be reviewed during 2021/22 in preparation for 2022/23 (the MTFS includes £0.7m income budget for 2022/23). The £2.975m funding will be delegated to the Director of Learning, Opportunities and Skills and Assistant Director of Finance (Section 151) in consultation with the Portfolio Holder for Children, Young People and Skills.
40. As highlighted previously there remains considerable uncertainty in relation to the MTFS due to the anticipated Fair Funding Review (FFR), the "full reset" of the Business Rates Retention scheme and the long awaited Adult Social Care White Paper.

Budget Proposals and Overall Position

41. The budget proposals previously approved in the 2020/21 budget are detailed at Appendix C.
42. As an organisation we will need to adapt and develop new ways of working for the post COVID-19 environment that we will operate in, resulting in a new organisational form that will look and feel substantially different, however this will take time. Therefore, our approach this year has been to undertake a thorough

review of all budgets to identify savings to balance the budget that will not affect front-line services or destabilise the organisation at this critical time. The budget proposals will mainly be delivered by reducing back-office functions, utilising all available uncommitted budgets and reductions to central budgets, e.g. pension budgets and treasury management. The additional budget proposals identified amount to £9.7m over the 3 years, with £5.3m in 2021/22, reducing the ongoing budget position. These are detailed at Appendix D.

43. The Council will continue to explore opportunities to reduce costs and increase revenue generating options during 2021/22, through: -

- Productivity – Increasing productivity and removing waste, aiming to simplify where possible and improve co-ordination so there is greater continuity, with less hand-offs;
- Transformation – delivering savings through transformation in a multitude of ways, taking a whole organisation approach;
- Demand management – managing the demand for services through a range of targeted measures, including:
 - i. Preventing people needing services or needing an increase in services;
 - ii. Transitioning people to less dependence on current services; and
 - iii. Reducing contract value both at individual and whole provider level.
- Enablers for delivery will be better practice, improved technology including a better system, opportunities from locality working and opportunities to work upstream with partner organisations. It is important that we look at the interplay between all the above and neither miss nor double count.

44. The table below shows how the budget is balanced over the three years with the savings identified and the use of one-off COVID-19 funding:

	2021/22 £m	2022/23 £m	2023/24 £m	Total 2021/22 – 2023/24 £m
Budget Gap	15.2	1.5	2.2	18.9
Savings approved in 2020/21	-4.7	-1.9	0.0	-6.6
Savings proposals	-5.3	-3.5	-0.9	-9.7
Recurrent Budget Gap	5.2	-3.9	1.3	2.6
Use of COVID-19 reserve in 21/22	-5.2	5.2		0.0
Use of COVID-19 reserve in 22/23		-1.3	1.3	0.0
Use of COVID-19 reserve in 23/24			-2.6	-2.6
Balanced Budget	0.0	0.0	0.0	0.0

Fees & Charges

45. Fees and charges are not proposed to be increased due to low levels of inflation (September CPI was 0.5%) and the need to encourage the use of services. There are some exceptions where fees and charges are required to be increased or introduced by statute or where specific savings proposals involve changes to fees and charges. A summary of changes to fees and charges is shown at Appendix G, along with fees and charges where specific approval by full Council is needed each year.

Post Reductions

46. A review of the budget proposals has been undertaken and has identified an estimated 26.6 full time equivalent (FTE) potential post reductions for the budget proposals detailed in Appendix C and D (17.0 FTE for 2021/22 and 9.6 FTE for 2022/23). The reductions will be achieved through the deletion of vacant posts, redeployment and then voluntary redundancies. At this stage compulsory redundancies are not expected. It is also worth noting that within the budget there is also additional funding allocated for specific pressures i.e. fly-tipping (15 posts) and Children Social Care, which will increase the number of posts during the specific funding period.

2021/22 Baseline Budgets by Service Area

47. The 2021/22 detailed budgets updated for the proposed pressures and savings are provided at Appendix E by Directorate, this provides the breakdown of the budget plan by Head of Service (Appendix E to follow).

Grants to Third Sector Organisations

48. The 2021/22 grants proposed to third sector organisations (£0.7m) are detailed in Appendix F. The Council's strategy is to more clearly commission and contract service activity, which provides greater certainty and continuity of provision of service for both the service provider (voluntary sector) and service users.

Monitoring & Challenge

49. The Council's budget in any one financial year is allocated to budget holders and each budget holder is notified of their budget at the start of the financial year. Within the performance and development review process for people managers there is a core target to effectively manage and monitor budgets, highlighting any pressures or potential underspends in a timely way.

50. Budget holders are able to review the latest financial monitoring information, including projections, directly from the on-line financial system in an easy to use format.

51. The Financial Management teams are structured to support budget holders, deal with queries and proactively monitor key budget areas. The quarterly Finance & Performance report presents the Council's revenue projection, prepared by managers working in conjunction with finance teams. In addition, a monthly review enables Directors to monitor the Council's revenue projection and take any further action to ensure effective management of the budget.

Reserves

52. The Council holds both "earmarked" and "uncommitted" reserves. Earmarked reserves are balances set aside for specific purposes, for example Service Transformation Fund; these are summarised in Appendix H.

53. To note there are one-off Minimum Revenue Provision (MRP) budgets, which are being earmarked for one-off requirements, e.g. Service Transformation Fund and VER/VR, funding; this is not available for on-going pressures. The 2019/20 Budget Report approved the allocation of the one-off MRP funding as follows: -

	2020/21 £'m	2021/22 £'m	2022/23 £'m	Total £'m
Service Transformation Fund	0.9	0.5	0.7	2.1
VER/VR	3.0	3.0	3.0	9.0
Feasibility works for capital projects	0.5	0.5	0.5	1.5

54. Due to the significant uncertainties and volatility in both our costs and income, the balance of unspent, un-ringfenced COVID-19 funding is held as an earmarked reserve. The COVID-19 funding received in 2020/21 is detailed in the quarterly Finance and Performance Reports; the balance being carried forward to 2021/22 is estimated at £10.1m. In addition to the specific grants provided, detailed in paragraph 38, this will be drawn down as required to meet pressures arising during 2021/22.
55. Uncommitted reserves are balances held as contingencies against risks such as emergency events. The uncommitted reserves are expected to remain at £16.5m by 2022/23.
56. A risk assessment of the Council's level of reserves is carried out each financial year, when setting the budget and updating the financial plan. It is updated regularly during the financial year as part of the formal financial management reporting process. The risk assessment is based on the following key factors: -
- a) a review of known provisions and contingent liabilities;
 - b) the likelihood of overspend for either revenue or capital;
 - c) the likelihood of any additional income that would be credited to reserves;
 - d) the robustness of the Council's revenue budget proposals;
 - e) the adequacy of funding for the Capital Programme; and
 - f) any potential significant expenditure items for which explicit funding has not yet been identified.
57. Appendix I provides the risk assessment of the Council's level of reserves, which estimates the value of the risks at £15.0m leaving £1.5m headroom over the level of un-committed ongoing general fund reserves available of £16.5m. The un-committed reserves are not excessive for a Council of our size, which spends circa. £500m a year; £16.5m would only run the Council for 12 days. The Council will ensure the reserves remain at an adequate level to manage effectively all future risks and liabilities. Careful consideration should continue to be given before funding any unexpected costs from reserves and where possible unused funds should be transferred to the uncommitted reserves thereby increasing the balance available. The Council needs to hold sizeable reserves whilst operating in the current volatile and uncertain environment.

Positive Assurance Statement

58. Under the Local Government Act 2003, when the Council sets the budget, the Council's Section 151 Officer is required to report on:
- the robustness of estimates made for the purposes of the calculations, and
 - the adequacy of the proposed financial reserves

Statement from the Council's Section 151 Officer (Assistant Director of Finance)

59. This report sets out the Council's spending plans to deliver on its corporate priorities as detailed in the Corporate Plan. It seeks to balance the need to respond to the current unprecedented financial volatility whilst at the same time providing a sustainable financial strategy for the longer term.
60. The financial climate continues to be extremely challenging. We have faced significant funding reductions in our local government finance settlements arising from Comprehensive Spending Reviews of 2010, 2013 and 2015. The unprecedented set of cuts and pressures required managers to deliver significant savings of £148.3m over the 5 years 2014/15 to 2018/19 and a further £30.9m over the period 2019/20 to 2022/23. Recently, the COVID-19 pandemic has resulted in significant volatility, with additional costs to support operational services, reduced income from services, business rates and council tax, and delays delivering savings. Given the exceptional nature of circumstances, the Government have recognised these financial challenges and provided additional one-off COVID grant funding in 2020/21 and the start of 2021/22. The 2021/22 financial settlement also included some additional funding, which improved the anticipated budgetary position and provided some short-term relief. However, the longer-term impact on the Council finances is uncertain, with the output potentially not returning to pre-crisis levels until the final quarter of 2022 and 'long-term scarring' being reported. In addition, we are facing increasing demand for services and growing costs, particularly in Children Social Care. There is also uncertainty with regard to Council baseline funding due to the impending Fair Funding review, Business Rates Reset and Adult Social Care White Paper. The current financing regime continues to provide significant one-off funding for ongoing increasing pressures with Council resources being more narrowly focused on social care services.
61. This budget includes additional funding to support its most vulnerable residents, providing significant investment for Adults and Children Social Care pressures. It also includes robust estimates for council tax and business rates, based on a thorough review of the baseline position and assumptions for future years taking into account local data and intelligence. Ongoing additional savings have been identified to continue to reduce the baseline position in accordance with our strategies. We have also reviewed the reserves position and strengthened the one-off earmarked reserves to provide additional flexibility; these are detailed in paragraphs 52 to 57. In addition, one-off investment has been provided to deliver specific priorities identified, e.g. fly-tipping. The budget is balanced using one-off reserves, although these are not significant and is a planned use of reserves. The remaining shortfall at the end of the 3 years is also manageable for a Council of our size, with sufficient time to prepare.
62. I can give you positive assurance on the reliability and robustness of the forecasts and estimates in the budget proposals as far as we can based on current local and national intelligence. The evaluation is based on the following key factors: -
- the budget proposals have been developed by those responsible for service delivery, taking account of the implications of implementing the changes. Targets are clear and there is commitment and ownership from managers to deliver. Each budget manager is required to deliver within the budget target. This will provide additional assurance, rigor and comfort for the Council in

- carrying out its responsibilities. These proposals will provide a balanced budget for 2021/22 as long as the risks set out in Appendix I can be managed;
- we have reviewed the pressures identified in 2020/21 and where required have provided adequate funding for 2021/22;
 - a review of the quarter 3 projected outturn figures has been undertaken to further challenge the budget proposals and ensure they are based on the most up to date information available. Any further pressures identified will need to be managed during 2021/22 as part of the revenue monitoring process;
 - the development of financial skills amongst Council managers is critical to the success of delivering the spending targets set in this budget; and
 - the External Audit assessment of the Statement of Accounts, which were approved by the deadline and with no material issues. As part of the Value for Money assessment, it was reported that “based on the work we performed to address the significant risks, we are satisfied that the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources”.

63. I can also give positive assurance, that the level of the uncommitted General Fund reserve balance is adequate to meet known commitments and contingencies based on the information currently available and included in this report.

Council Tax Capping & Referenda

64. Authorities are required to seek approval of their electorate in a referendum if any proposed Council Tax increase exceeds the principles set by Parliament. The Government confirmed the Council Tax Referendum Cap for 2021/22 as part of the final Local Government Financial Settlement in January/February 2021. Any increase of 5.0% or greater for those authorities that have decided to implement up to the maximum 3.0% adult social care “precept” will be deemed excessive.

65. Full details of the Council Tax Referendum Cap and calculation will be presented as part of the Council Tax setting report to Council on 1st March 2021.

OPTIONS CONSIDERED

66. A range of options has been considered over the preceding months to arrive at these budget proposals.

REASONS FOR RECOMMENDED OPTION

67. The budget proposals seek the appropriate balance in meeting the savings whilst still delivering on the key priorities; protecting front-line services where possible.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

68. These are detailed in the table below: -

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating heart of Doncaster • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> • Every child has life-changing learning experiences within and beyond school • Many more great teachers work in Doncaster Schools that are good or better • Learning in Doncaster prepares young people for the world of work 	Council budget therefore impacts on all outcomes
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> • Children have the best start in life • Vulnerable families and individuals have support from someone they trust • Older people can live well and independently in their own homes 	
	<p>Connected Council:</p> <ul style="list-style-type: none"> • A modern, efficient and flexible workforce • Modern, accessible customer interactions • Operating within our resources and delivering value for money • A co-ordinated, whole person, whole life focus on the needs and aspirations of residents • Building community resilience and self-reliance by connecting community assets and strengths • Working with our partners and residents to provide effective leadership and governance 	

RISKS AND ASSUMPTIONS

69. A risk assessment of the MTFS has been undertaken in accordance with the Council's risk management strategy, which helps to minimise risk. The Council's Strategic Risk Register is reviewed and updated on a quarterly basis and each service has formally documented its key risks and the actions taken to mitigate those risks in service plans. Key risks in relation to the MTFS include: -

- a) Collection Fund – risks that the income from Council tax and Business rates reduces by more than forecast in the MTFS assumptions. This includes the risk that the business rates income reduces due to businesses ceasing as a result of the economic situation and/or business rate relief not being provided to support them to continue to operate. This is a significant risk within this budget; £38m additional business rate reliefs have been awarded to date in 2020/21. Further details are not expected on the business rate reliefs until the 3rd March budget announcement.
- b) Exiting the European Union – risks that may materialise due to exiting the European Union e.g. increases costs.
- c) Service Demands/Additional Budget Pressures – risks that service demands continue to increase and there are greater budgetary pressures than those included in the MTFS. This is a greater risk in current times due to the continued impact of the COVID-19 pandemic.
- d) Delivery of Savings – risks in relation to the delivery of planned savings, which are increasingly more difficult to deliver. Additionally the ongoing impact of COVID-19 may make some savings more difficult to deliver.
- e) 2020/21 Monitoring Position – risks that the 2020/21 monitoring position worsens which impacts on the underlying baseline financial position moving into 2021/22.
- f) Third Parties – risks that might materialise as a result of third parties and suppliers ceasing trading or withdrawing from the market.
- g) Price Inflation – risks that inflation increases by more than the estimate built into the MTFS.
- h) Economy – risk that a recession increases the level of default on debt and bad debt provisions have to increase and/or a higher level of debt has to be written off.
- i) One-off Grant Funding – risks in that expenditure does not reduce or cease in line with the one-off grants decreasing or ending over the next 2 years.
- j) Spending Review – risks that may materialise as a result of the multi-year Spending Review, and reforms to Business Rates Retention and the Fair Funding Review.
- k) Business Rates Retention – risk that a Business Rates reset occurs in the next 3 years (the assumption is that this does not happen but has only been formally postponed by Government until 2021/22 at the earliest); this would result in a loss of funding to the Council.
- l) Reserves – risks that earmarked and uncommitted reserves are insufficient to support the Council during this period.

70. The estimates have been produced based on the latest information available, the risks will be monitored during 2021/22 as part of the budget monitoring cycle. The MTFS budget assumptions are continuously reviewed and updated for any

changes; including a thorough review during 2021/22 in preparation for 2022/23 budget setting.

LEGAL IMPLICATIONS [Officer Initials...SRF... Date...07.01.21]

71. The Council must set a balanced budget ensuring that resources are sufficient to meet its proposed spending plans. The Chief Financial Officer is required to advise the Council of the adequacy of its reserves and the robustness of estimates used in preparing its spending plans.
72. The Council will need to be satisfied that the MTFS set and the subsequent budget will ensure that the Authority is able to discharge its statutory duties.
73. Any proposed changes to services will require specific legal advice prior to implementation.
74. As set out in the body of the report, any increase in Council tax rates above a certain level will be subject to a local referendum.

FINANCIAL IMPLICATIONS [Officer Initials...RI... Date...05.01.21]

75. These are contained within the body of the report.

HUMAN RESOURCES IMPLICATIONS [Officer Initials...RH...Date...13.01.21]

76. There are no immediate HR implications identified within this report, however once post reduction numbers are confirmed further advice should be sought regarding the process going forward.

TECHNOLOGY IMPLICATIONS [Officer Initials...PW... Date...09.09.20]

77. Technology continues to be an evolving key essential enabler to support the delivery of all services and the key strategic budget themes outlined in this report. Robust and effective ICT governance arrangements will continue to be needed to ensure the delivery of the key priorities. This will be monitored and continuously reviewed via the Council's Technology Governance Board.

HEALTH IMPLICATIONS [Officer Initials...RS... Date ...04.01.21]

78. The choices the council makes in both raising and allocating revenue budgets will impact on the health of the population. In general, 20% of what contributes to health is due to clinical care, 30% due to behavioural factors, 40% due to socio-economic factors and 10% due to the built environment. The State of the Borough assessment and Doncaster Growing Together plan are both informed by health outcomes and use health outcomes to monitor impact. The impact on a set of health outcomes are also incorporated in the council's corporate plan. Within the financial resources available, this paper sets out clearly the broad areas of revenue investment in both universal and targeted services and how within a reduced financial envelope there are plans to maintain and even improve the quality of local services. Wherever possible commissioners and providers of services should seek to maximise social value consider long term social, environmental and economic sustainability and resilience. With sustained long-term cuts in funding, there is likely to be implication on potentially increasing health inequalities. This needs to be considered during the implementation

phase so that inequalities and health inequalities are addressed, and monitored. The lack of clarity on the size and future of the public health grant from April 2021 places a risk on future public health activity. Where further cabinet reports are required report authors should consider the need for formal health impact assessments or early involvement of the public health team to minimise unintended impacts on health. Health impacts should also be addressed in the due regard statements that are developed alongside these further reports.

EQUALITY IMPLICATIONS [Officer Initials...MS... Date...22.01.21]

79. In taking this decision, elected members are reminded of their obligations under section 149 Equality Act 2010. This section contains the Public Sector Equality Duty (PSED) which obliges public authorities, when exercising their functions, to have 'due regard' to the need to: -

- a) Eliminate discrimination, harassment and victimisation and other conduct which the Act prohibits;
- b) advance equality of opportunity between people who share relevant protected characteristics and those who do not; and
- c) foster good relations between people who share relevant protected characteristics and those who do not.

80. Protected characteristics are age, gender, disability, race, sex, sexual orientation, gender reassignment, religion or belief and pregnancy and maternity. Only the first aim of the PSED set out in paragraph (a) above applies to a further protected characteristic of marriage and civil partnership.

Having due regard to advancing equality involves: -

- Removing or minimising disadvantages suffered by people due to their protected characteristic;
- taking steps to meet the needs of people from protected groups where they are different to the needs of other people; and
- encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

81. Elected members must consciously consider and have due regard to the three aims of the general equality duty when dealing with the recommendations contained within this report. The Council uses a simple due regard process to ensure due regard is considered and to support a transparent, effective process that is accountable to users and residents. Amongst others, the "due regard" will be informed by: -

- a) **Establishing the key equality issues across Doncaster (Equality Analysis)** – Our Equality, Diversity and Inclusion Framework sets out in one place our EDI objectives and arrangements for embedding equality into everything we do. It outlines our commitment to EDI, and links directly to our strategic ambitions. Our budget proposals seek to limit the impact of budget cuts on the most vulnerable; and
- b) **Prioritisation and Planning** – Our key strategic budget themes specifically prioritise the needs of the most disadvantaged in our communities.

82. The additional savings have been reviewed with regard to our PSED obligations and it has been identified that none of the proposals require a due regard assessment.

CONSULTATION

83. Directors and Cabinet have considered the budget proposals at several meetings between May 2020 and December 2020. Key dates in the budget timetable leading up to Council approving the budget on the 1st March, 2021 are detailed below: -

- Cabinet – MTFS 2021/22 to 2023/24 approved – 29th September, 2020
- Government's Spending Review 2020 – 25th November, 2020
- Provisional LG Finance Settlement 2021/22 – 17th December, 2020
- Cabinet – Council Tax Base 2021/22 approved – 12th January, 2021
- Union Engagement – regular Doncaster Consultative Group meetings including 23rd September, 2020, 18th November, 2020 and 2nd February, 2021
- Overview & Scrutiny Management Committee (OSMC) – Budget-briefing session 1st February, 2021 and OSMC meeting 11th February, 2021
- The Chair of the Overview & Scrutiny Management Committee will respond to the Mayor's budget proposals, response to follow (Appendix I)
- Labour Group – Budget Consultation 27th January, 2021
- Budget sessions with Group Leaders February, 2021
- Final LG Finance Settlement Announcement 2020/21 – January/February, 2021
- Cabinet – Council reports – 16th February, 2021.

This report has significant implications in terms of the following: -

Procurement	X	Crime & Disorder	X
Human Resources	X	Human Rights & Equalities	X
Buildings, Land & Occupiers	X	Environment & Sustainability	X
I.C.T.	X	Capital Programme	X

BACKGROUND PAPERS

- (1) Council Report – Revenue Budget 2020/21 – 2022/23, 5th March 2020.
<https://doncaster.moderngov.co.uk/ieListDocuments.aspx?Cld=130&Mid=2854&Ver=4>
- (2) Cabinet Report – Restart, Recovery and Renewal Plan, 28th July 2020.
<https://doncaster.moderngov.co.uk/ieListDocuments.aspx?Cld=131&Mid=3474&Ver=4>
- (3) Cabinet Report – Updated Medium-Term Financial Strategy (MTFS) 2021/22 – 2023/24, 29th September 2020.
<https://doncaster.moderngov.co.uk/ieListDocuments.aspx?Cld=131&Mid=3478&Ver=4>

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

BCF – Better Care Fund

BIES – Department for Business, Energy and Industrial Strategy

CCG – Clinical Commissioning Group

CPI – Consumer Price Index
CSP – Core Spending Power
DCLT – Doncaster Community Leisure Trust
DCST – Doncaster Children's Services Trust
DEFRA – Department for Environment, Food and Rural Affairs
DfE – Department for Education
DfT – Department for Transport
DHSC – Department of Health and Social Care
DSG – Dedicated Schools Grant
DTOC – Delayed Transfer of Care
DWP – Department for Work and Pensions
EC – European Community
EDI – Equality, Diversity and Inclusion Framework
FFR – Fair Funding Review
FTE – Full Time Equivalent
GDP – Gross Domestic Product
HEART – Home Emergency Alarm Response Team
HLF – Heritage Lottery Fund
HO – Home Office
HRA – Housing Revenue Account
iBCF – improved Better Care Fund
IDT – Integrated Discharge Team
LCTS – Local Council Tax Reduction Scheme
LGFS – Local Government Finance Settlement
LIFT – Local Improvement Finance Trust
MBC – Metropolitan Borough Council
MDT – Multi Disciplinary Team
MHCLG – Ministry of Housing, Communities and Local Government
MRP – Minimum Revenue Provision
MTFS – Medium-term Financial Strategy
NCTL – National College for Teaching and Leadership
NHB – New Homes Bonus
NHS – National Health Service
OBR – Office for Budget Responsibility
OSMC – Overview & Scrutiny Management Committee
PANSI – Projecting Adult Needs and Service Information system
PFI – Private Finance Initiative
POPPI – Projecting Older People Population Information system
PSED – Public Sector Equality Duty
RAPID – Rapid Response Team
RAPT – Rapid Assessment Programme Team
RDaSH – Rotherham, Doncaster & South Humber
RPI – Retail Price Index
RPIX – Retail Price Index excluding mortgage interest payments
RSG – Revenue Support Grant
RV – Rateable Value
SE – Sport England
SIGOMA – Special Interest Group of Metropolitan Authorities
SLC – Student Loans Company
SLH – St Leger Homes of Doncaster
STEPS – Short Term Enablement Programme
VER/VR – Voluntary Early Retirement / Voluntary Redundancy
YJB – Youth Justice Board

REPORT AUTHOR & CONTRIBUTORS

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**Faye Tyas
Assistant Director of Finance (Section 151)**

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Appendix A

Medium-Term Financial Strategy (MTFS) and key assumptions

The Medium-term Financial Strategy for 2020/21 – 2023/24 is provided below: -

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
<u>Income</u>				
Retained Business Rates	-49.546	-26.550	-47.009	-47.923
Top Up Grant	-34.854	-34.855	-35.552	-36.263
Baseline Funding	-84.400	-61.405	-82.561	-84.186
Revenue Support Grant	-20.368	-20.480	-20.889	-21.307
Settlement Funding Equivalent	-104.768	-81.885	-103.450	-105.493
Compensation for under-indexing the business rates multiplier	-3.323	-4.224	-4.224	-4.224
Council Tax Income	-119.170	-117.679	-122.958	-128.204
Improved Better Care Fund	-15.831	-15.831	-16.147	-16.470
New Homes Bonus	-4.086	-2.375	-1.059	0.000
Social Care Support Grant	-9.562	-12.537	-12.787	-13.043
Lower Tier Services Grant	0.000	-0.441	-0.441	-0.441
Core Spending Power Equivalent	-256.740	-234.971	-261.066	-267.875
Public Health Grant	-24.436	-24.436	-24.436	-24.436
s31 Business Rates Grants	-24.370	-3.989	-3.989	-3.989
Other Specific Grants	-78.433	-46.551	-46.551	-46.551
Customer & Client Receipts	-44.372	-44.372	-44.372	-44.372
Other Income	-65.978	-65.978	-65.978	-65.978
Housing Benefit	-56.321	-56.700	-56.700	-56.700
Total Income	-550.650	-476.997	-503.092	-509.901
<u>Expenditure</u>				
Total Council Expenditure (Funded)	489.182	523.216	501.327	504.428
Expenditure Changes				
Housing Benefit change (nil impact on gap)	-3.929	0.379	0.000	0.000
Grant decreases exit strategies (one-off)	-2.691	-29.621	0.000	0.000
Grant decreases exit strategies (on-going)	-0.319	-2.261	0.000	0.000
Adult Social Care Ladder	0.000	-1.292	0.800	0.906
Staffing	-4.166	4.834	2.601	3.956
Prices Changes	4.600	2.800	3.750	3.750
Levying Bodies	0.100	0.100	0.100	0.100
Expenditure funded from additional income incl above	33.488	2.975	0.000	0.000
Budget Pressures	14.017	10.225	1.212	0.293
Gross Budget	530.282	511.354	509.789	513.433
Budget Proposals for cost reductions	-7.066	-10.027	-5.361	-0.926
Use of one-off Committed Reserves	8.294			
Use of one-off Covid-19 Reserves		-5.189	-1.336	-2.606
Use of one-off s31 Business Rates grants	19.140	-19.140		
Total Budget Gap	0.000	0.000	0.000	0.000
Gross Budget (Total Income plus one-off uncommitted reserves)	523.216	501.327	504.428	512.507
Net Budget Requirement (including Baseline Income)	223.938	199.564	226.408	233.697

CHANGES IN LOCAL GOVERNMENT FUNDING

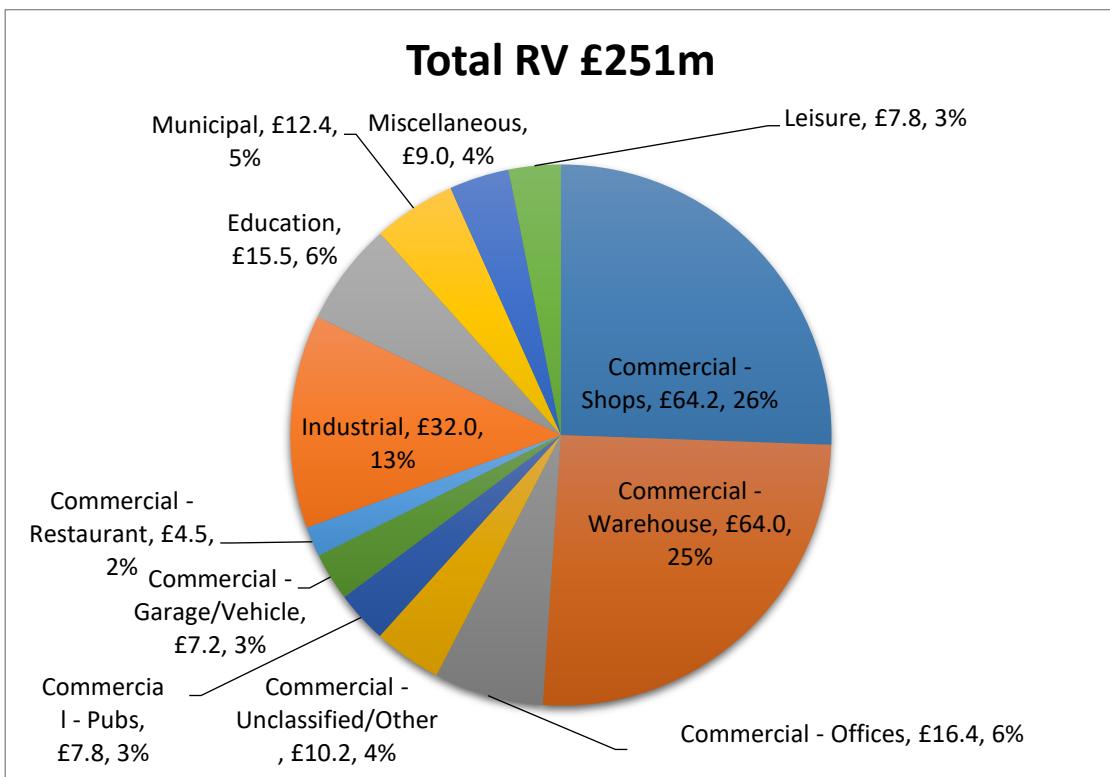
1. Following the 2010 General Election, the Coalition Government embarked on an austerity programme aimed at removing the Government's budget deficit and bringing the Government's finances back into surplus. The Spending Review announcements covering the years 2011/12 – 2019/20 contained large and sustained cuts to local government.
2. Since 2010/11, nationally Council funding has been cut by circa. 50%, in addition there is strong demand for services resulting in financial pressures and no reduction in their statutory obligations. Local spending is becoming more narrowly focused on social care due to the need to meet the growing demand and falling central government funding. Over the last ten years the Council has faced a total budget gap of circa. £260m.
3. The LGA previously reported that Council Services face an additional funding requirement for their annual day-to-day spending of £13.2 billion by 2024/25, growing at a pace of over £2.6 billion each year on average. When compared to the assumed changes to council funding levels, this leads to a funding gap of £6.4 billion forming in the day-to-day council budgets in 2024/25 in comparison to 2019/20 budgets¹. In addition to these challenges Councils' are also facing the financial implications of COVID-19, which are estimated at £2bn.
4. Prior to the General Election in June 2017, the Government consulted on changes to the local government finance system (including a review of the formula used) to pave the way for the implementation of 100% business rate retention from 2020/21. As part of this process, Revenue Support Grant (RSG) will be phased out. In the 2018/19 provisional Finance Settlement, the Government confirmed their aim to increase business rates retention to 75% for all local authorities in 2020/21 to help meet the commitment to give local authorities more control over the money they raise locally. This will be through incorporating existing grants into business rate retention including RSG and the Public Health Grant.
5. A full Spending Review was anticipated in autumn 2020, which would set out the funding available for Government Departments for 2021/22 onwards. A Fair Funding Review (FFR) was also expected, which would set out how the funding determined by the Spending Review 2020 would be allocated for 2021/22 onwards. In addition, a "full reset" of the Business Rates Retention scheme was expected. In the 2018/19 provisional Finance Settlement, the Government launched a consultation on a Review of Local Authorities Relative Needs and Resources – the Fair Funding Review – which changes the way funding is allocated for 2020/21 onwards. The intention was for a further consultation over the summer of 2019 with implementation in 2020/21.
6. On 24th March, the Government announced that the Comprehensive Spending Review, would be delayed from July to enable the government to remain focused on responding to the public health and economic emergency. Councils will therefore receive a one-year settlement for 2021/22. The provisional settlement allocations will not be notified until December 2020 following the Spending Review in the autumn. Subsequent announcements have also postponed the Business Rates Reset, 100% Business Rates Retention and the Fair Funding Review.

¹ <https://www.local.gov.uk/about/campaigns/councilscan/council-funding-requirement-and-funding-gap-technical-document>

7. The Spending Review 2020 was announced on 25th November 2020; the Government announced indicative allocations of funding for 2021/22 in the provisional local government finance settlement announcement on 17th December 2020. Final allocations of funding for 2021/22 were confirmed in the final local government finance settlement announcement on 10th February 2021.

BASELINE FUNDING AND BUSINESS RATES GRANTS

8. The Business Rates Retention scheme, whereby 50% of local business rates income is retained locally, (the Council retains 49% and passes on 1% to the South Yorkshire Fire & Rescue Authority) and 50% is passed to Government, has been in operation since 2013/14.
9. The final local government finance settlement for 2013/14 set the baseline funding levels for the local retention of business rates model. The difference between each council's individual business rate baseline and their calculated baseline funding level results in either a top up or a tariff that is paid from/to councils from central government. The Council will receive top-up grant of £34.855m for 2021/22.
10. The baseline funding level has not been reset since the scheme came into operation. Central Government has previously announced that there will be a full reset of business rates but the date has been repeatedly delayed. This means that any "growth" within the current business rates system will be transferred into baseline need and effectively lost to a future Spending Review / Fair Funding Review. Although it is difficult to estimate what the impact will be at this stage, the Council had a favourably low baseline in 2013 and could potentially see a large drop in Top-Up grant when the reset takes effect. The MTFS assumes that no reset takes place.
11. Full revaluations are carried out every three years and the last revaluation took place on 1st April 2017. The next revaluation therefore, was scheduled for 2020/21, however this has now been delayed until 2022/23.
12. For information, the breakdown of total rateable value of Business Rates by category, as at the end of December 2020, is shown in the chart below: -



THE COLLECTION FUND

13. All Council Tax receipts and Business Rates receipts are paid into and separately accounted for in the Collection Fund. Any surplus or deficit must be shared amongst the preceptors and utilised in budget setting in the following financial year. For Council Tax the preceptors are the Council, South Yorkshire Police Authority and South Yorkshire Fire & Rescue Authority. For Business Rates the preceptors are the Council, Central Government and South Yorkshire Fire & Rescue Authority.

Business Rates

14. The multiplier is based on the Consumer Price Index (CPI) for September but the Government announced in the Spending Review that the multiplier would be frozen for 2021/22. The MTFS includes no increase in the multiplier for 2021/22 and 2% per annum for subsequent years, which is built into the Retained Business Rates and Top Up grant lines. (to be updated to included assumptions for growth, loss on collection, reliefs etc)
15. The net Retained Business Rates income is reduced for losses on collection and losses due to appeals of approximately 1.5% and 2% respectively.
16. Any changes announced by the Chancellor that affect Retained Business Rates are accompanied by a section 31 grant to compensate Councils for any loss of income – these are shown in the Specific Grants section.
17. The overall decrease in Retained Business Rates income of £23.0m is due to: -
- the repayment of the deficit for 2019/20 of £1.9m;
 - the repayment of the estimated deficit for 2020/21 of £19.3m. This is largely due to the additional retail relief granted during 2020/21 (for which the Government will pay a section 31 grant); and
 - a reduction in the baseline of £1.8m for 2021/22. The baseline in 2020/21 has reduced by circa 1.2% caused by COVID-19 and it is assumed that the baseline will reduce by a further 2.7% in 2021/22.

Council Tax

18. A breakdown of the 2021/22 Council Tax income and assumptions are provided below: -

Council Tax (Band D)	£1,446.10
Band D Equivalent Properties	82,810
Council Tax Income	£119.753m
Collection Fund (Council Tax) Deficit	(£2.074m)
Total Council Tax Income	£117.679m

19. The overall decrease in Council Tax income of £1.5m is due to: -

- the repayment of the accumulated deficit up to and including 2020/21 of £3.0m, largely caused by increased levels of Local Council Tax Support (LCTS) and reduced growth in the number of properties;
- although the short term collection rate, i.e. the amount of debt collected in the year it relates to, is around 95%, the long term collection rate, i.e. the amount of debt collected in the year it relates to and subsequent years, is around 99%. It is prudent to assume the on-going effects of COVID-19 will lead to a downturn in the economy and will negatively impact on the long-term collection rate so the assumed collection rate for Council Tax in 2021/22 has been reduced from 98.6% to 97.5% which reduces Council Tax income by £1.3m;
- it is assumed that the increased levels of LCTS granted in 2020/21 will continue into 2021/22 which reduces Council Tax income by £1.3m;
- the increase in the Adult Social Care levy of 1.5% will generate an additional Council Tax income of £1.7m;
- the increase in the core level of Council Tax of 1.4% will generate an additional Council Tax income of £1.6m; and
- it is assumed that the number of properties will grow in 2021/22, albeit at a lower rate than in previous years, which will generate an additional Council Tax income of £0.7m.

IMPROVED BETTER CARE FUND

20. Improved Better Care Fund (iBCF) 2015 settlement – the Government provided £1.5 billion additional funding for local authorities to spend on adult social care by 2019/20. Improved Better Care Fund (iBCF) 2017 settlement – the additional iBCF funding was allocated through a separate grant to local government, using a methodology that provides greater funding to those authorities that benefit less from the additional council tax flexibility for social care. This additional funding commenced in 2017/18 and has decreased every year since. In response to the growing concerns of local government about the escalating costs of providing both Adult and Children's social care, the government announced one-off grants for 2018/19 and 2019/20 for Winter Pressures. This was rolled into the iBCF.
21. The final settlement confirms that this funding will continue at the same level of £15.831m in 2021/22.
22. A specific Section 75 pooled budget will be completed once final funding allocations have been confirmed. The iBCF is being spent on the costs of increased demand and inflationary pressures.

NEW HOMES BONUS

23. New Homes Bonus (NHB) is a grant that was paid for 6 years by Government based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes. NHB is funded by reducing the baseline funding available for Councils and consequently the Council is worse off because the amount deducted is significantly more than the grant received.
24. The 2017/18 Settlement announcement on 15th December 2016 reduced the number of years for which NHB is paid from the existing 6 years to 5 for 2017/18 and 4 for 2018/19 onwards and introduced a national baseline for housing growth of 0.4% that has to be exceeded before any NHB becomes available. As part of the Spending Round on 4th September 2019, the Government announced that the 2020/21 NHB allocation would not attract any legacy payments. As part of the Spending Review on 25th November 2020, the Government announced that the 2021/22 NHB allocation would not attract any legacy payments.
25. The NHB for the Council is £2.375m for 2021/22, which is a £1.711m reduction from 2020/21.
26. The net grant loss is significant at £33.626m. The position is reasonably comparable with other Metropolitan Districts who also fare badly from the redistribution of grant funding, due to the relatively high levels of grant funding received and high levels of deprivation. The MHCLG led evaluation of the NHB published in December 2014 concluded that the most negative impacts of the NHB were seen in authorities in the North of England and Yorkshire and the Humber. The NHB is therefore being utilised to assist with the loss in grant. Housing growth is being progressed utilising alternative funding streams. The updated grant figures are set out in the table below: -

Year	Housing Growth	Reimbursement Grant	Total Grant Receipt	Grant Reduction	Net Grant Loss
	£m	£m	£m	£m	£m
2011/12	403	0	403	1,412	1,009
2012/13	928	0	928	3,054	2,126
2013/14	1,314	565	1,879	5,312	3,433
2014/15	2,430	228	2,658	6,729	4,071
2015/16	3,479	224	3,703	8,500	4,798
2016/17	5,051	160	5,211	10,518	5,307
2017/18	4,946	173	5,119	8,868	3,749
2018/19	4,458	0	4,458	6,708	2,250
2019/20	4,468	0	4,468	6,502	2,033
2020/21	4,086	0	4,086	6,424	2,338
2021/22	2,375	0	2,375	4,887	2,512
Total	33,938	1,350	35,288	68,914	33,626

ADULT SOCIAL CARE GRANTS

27. The final settlement confirms that the “one-off” grants for 2018/19, 2019/20 and 2020/21 for Social Care Support will continue at the same level of £9.562m in 2021/22. In the Spending Review on 25th November, a new one-off increase in the Social Care Support grant was announced as part of a £0.3bn package for social care. The additional “one-off” grant for 2021/22 for Doncaster is £2.975m.

LOWER TIER SERVICES GRANT

28. The final settlement confirms a new on-going grant for 2021/22: a £111m Lower Tier Services Grant comprising two elements: -
- £86 million distributed using shares of lower tier funding within the 2013-14 Settlement Funding Assessment; and
 - £25 million for a funding floor to ensure no authority has a total Core Spending Power less than in 2020-21.
29. The Council’s grant for 2021/22 is £0.441m.

PUBLIC HEALTH

30. The Health and Social Care Act 2012 provided the statutory basis for Local Authorities to assume their new Public Health responsibilities from 2013/14. From this date, the majority of Public Health functions transferred to the Council although some specialist elements of Public Health such as children’s services 0-5, cancer screening etc. were retained by the NHS. Children’s Public Health commissioning responsibilities for 0-5 year olds transferred from NHS England to Local Authorities on 1st October 2015 and this joins up that already done by Local Authorities for children & young people 5-19.
31. The ring-fence on Public Health spending will be maintained in 2021/22 and Government will consult on options to fully fund Local Authorities’ Public Health spending from their retained business rates receipts, as part of the move towards 75% business rate retention. For 2021/22, the Council should see a freeze in the Public Health Grant, however Government have not yet made a final announcement confirming this.

OTHER SPECIFIC GRANTS

32. The Council receives a number of specific grants which are non-ring fenced and can be redirected to other areas of service provision as required. It also receives some specific grants that are ring-fenced and can only be used for the specific purpose set out in the grant conditions. The largest grants such as Public Health and iBCF are shown separately in the MTFS. Further details of the main specific grants (ring-fenced and non ring-fenced) are provided below. The following table details the amounts for 2020/21 recorded on the ledger as at 25th January, 2021 and the assumptions for 2021/22 - 2023/24: -

Grant	Issued By	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Non Ring-fenced					
Extended Rights to Free Transport	DfE	-0.145	-0.145	-0.145	-0.145
Local Reform & Community Voices	DHSC	-0.206	-0.206	-0.206	-0.206
War Pension Disregard	DHSC	-0.140	-0.140	-0.140	-0.140
Local Authority Data Sharing	DWP	-0.010	-0.010	-0.010	-0.010

Grant	Issued By	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
New Burdens Grant	DWP	-0.303	-0.303	-0.303	-0.303
Universal Credit	DWP	-0.036	-0.036	-0.036	-0.036
Verify Earnings and Pensions	DWP	-0.034	-0.034	-0.034	-0.034
COVID-19 Council Tax Hardship Fund	MHCLG	-2.993			
COVID-19 Emergency Active Travel	MHCLG	-0.186			
COVID-19 Support Grant	MHCLG	-18.637			
COVID-19 Test, Track & Contain Grant	MHCLG	-2.495			
Flexible Homelessness Support Grant	MHCLG	-0.308			
Homelessness Reduction Grant	MHCLG	-0.230			
Troubled Families Grant	MHCLG	-1.608			
<u>Ring-fenced</u>					
National Portfolio Organisations (NPO) Grant	Arts Council	-0.100	-0.100	-0.100	-0.100
Adult and Community Learning from Skills Funding Agency	BIES	-0.663	-0.663	-0.663	-0.663
Higher Education Funding Council for England (HEFCE) Payments	BIES	-0.179	-0.179	-0.179	-0.179
Dedicated Schools Grant (DSG) - Central Element (Includes Early Years)	DfE	-31.361	-31.361	-31.361	-31.361
Music Services Grant	DfE	-0.441	-0.441	-0.441	-0.441
Opp Area Social Mob Grant	DfE	-2.000			
Personal Adviser duty Implementation Grant	DfE	-0.056	-0.056	-0.056	-0.056
Pupil Premium Grant (Children in Care Element)	DfE	-0.961	-0.961	-0.961	-0.961
School Improvement & Brokerage Grant	DfE	-0.151	-0.151	-0.151	-0.151
Staying Put Implementation Grant	DfE	-0.203	-0.203	-0.203	-0.203
Emergency Assistance Food & Essential Supplies	DEFRA	-0.446			
Waste Infrastructure Grant	DEFRA	-2.385	-2.385	-2.385	-2.385
Care Act Grant (Social Care in Prisons)	DHSC	-0.343	-0.343	-0.343	-0.343
COVID-19 Track & Trace Grant	DHSC	-2.234			
Bus Service Operator's Grant - Local Authority Bus Subsidy Ring-Fenced (Revenue) Grant	DfT	-0.020	-0.020	-0.020	-0.020
Sustainable Transport Access Fund	DfT	-0.423			
Discretionary Housing Payments (DHPs)	DWP	-0.904	-0.904	-0.904	-0.904
Housing Benefit Subsidy Admin Grant	DWP	-0.951	-0.951	-0.951	-0.951
Independent Living Fund	DWP	-0.660	-0.660	-0.660	-0.660
DWP Technical Assistance Grant	DWP	-0.044	-0.044	-0.044	-0.044
ERDF & ESIF - Launchpad	EC	-0.105	-0.105	-0.105	-0.105
ERDF & ESIF - Productivity	EC	-0.035	-0.035	-0.035	-0.035
Heritage Lottery Fund	HLF	-0.040	-0.040	-0.040	-0.040
Asylum Seekers (Unaccompanied Asylum Seeking Children)	HO	-0.319	-0.319	-0.319	-0.319
Syrian Resettlement Programme Grant	HO	-0.119	-0.119	-0.119	-0.119
Council Tax Support Admin Subsidy	MHCLG	-0.390	-0.390	-0.390	-0.390
COVID-19 Rough Sleeper Assistance	MHCLG	-0.018			
COVID-19 Track & Trace Support Payment	MHCLG	-0.304			
MHCLG - Launchpad / Technical Assistance	MHCLG	-0.079	-0.079	-0.079	-0.079

Grant	Issued By	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
The Private Finance Initiative (PFI) (Schools - fixed for the 25 years duration of PFI scheme)	MHCLG	-3.478	-3.478	-3.478	-3.478
Rough Sleeper Initiative	MHCLG	-0.462	-0.462	-0.462	-0.462
Initial Teacher Training (ITT)	NCTL	-0.286	-0.286	-0.286	-0.286
Sport England Grant	SE	-0.170	-0.170	-0.170	-0.170
Student Loans Company	SLC	-0.161	-0.161	-0.161	-0.161
Youth Justice Board	YJB	-0.611	-0.611	-0.611	-0.611
Other Specific Grants		-78.433	-46.551	-46.551	-46.551

33. Subsequent grant announcements may result in additional cuts to specific grants over and above those previously identified; where this is the case it is assumed that the activities will cease and the Council will no longer incur expenditure in these areas, i.e. there will be exit strategies for all grant reductions. Exit strategies are required for the following grant reductions and therefore these are not included in the budget gap, further details are provided in the table below: -

Grant Exit Strategy	Issued By	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
One-off					
Verify Earnings and Pensions	DWP	-0.018			
Brexit Preparation Grant	MHCLG	-0.210			
COVID-19 Council Tax Hardship Fund	MHCLG		-2.993		
COVID-19 Emergency Active Travel	MHCLG		-0.186		
COVID-19 Support Grant	MHCLG		-18.637		
COVID-19 Test, Track & Contain Grant	MHCLG		-2.495		
Flexible Homelessness Support Grant	MHCLG		-0.308		
Opp Area Social Mob Grant	DfE		-2.000		
Emergency Assistance Food & Essential Supplies	DEFRA		-0.446		
COVID-19 Track & Trace Grant	DHSC		-2.234		
ERDF & ESIF - SCR Growth Hub	EC	-0.015			
COVID-19 Rough Sleeper Assistance	MHCLG		-0.018		
COVID-19 Track & Trace Support Payment	MHCLG		-0.304		
Migration Fund	MHCLG	-0.312			
Improved Better Care Fund (iBCF) (March 2017 announcement)	MHCLG	-2.136			
On-going					
Homelessness Reduction Grant	MHCLG		-0.230		
Troubled Families Grant	MHCLG		-1.608		
Adult and Community Learning from Skills Funding Agency	BIES	-0.030			
Apprenticeship Levy	BIES	-0.048			
Additional recurrent Children's Services Trust Costs	DfE	-0.191			
School Improvement & Brokerage Grant	DfE	-0.028			
Sustainable Transport Access Fund	DfT		-0.423		
Independent Living Fund	DWP	-0.022			
Total Exit Strategies		-3.010	-31.882	0.000	0.000

34. Further information on other significant specific grants is provided below: -

- Dedicated Schools Grant (DSG) funds the schools budget (funding for schools and services that are provided centrally to pupils, early years and high needs budgets). The initial 2021/22 block allocations including Academies are as follows: -
 - Schools Block Allocation £221.7m - this is almost entirely delegated to schools, excluding the growth fund, with budget allocations for 2021/22 due to be sent out to schools in February 2021;
 - Central School Services Block £1.6m – now provided as a separate allocation to the schools block to cover services provided centrally to pupils/schools;
 - High Needs Block Allocation £42.1m;
 - Early Years Block Allocation £20.5m.
- PFI Schools - the Council entered into a PFI agreement with Government to rebuild Mexborough and Thomas Wharton Secondary Schools. The rebuilds were completed during 2008/09 and the Government will pay an annual grant of £3.478m for 25 years towards costs incurred, the final payment will be made in 2033/34.

OTHER INCOME

35. Other income includes Continuing Health Care Contributions and Section 256 and Section 75 Agreements with the NHS (CCG), income from Other Local Authorities as well as income from charges made to Schools (including Academies), Housing Revenue Account, St Leger Homes and Children's Services Trust.
36. A significant Section 75 agreement is the Better Care Fund (BCF); this is where the Council has entered into a pooled budget arrangement with Doncaster Clinical Commissioning Group (CCG) for the provision of integrated health and social care services for people in the Doncaster area. The Council and the CCG have an annual agreement in place for funding these services, with partners contributing funds to the agreed budget in line with funding allocations, taking responsibility for its own deficit or surplus. The 2021/22 draft spending plan for the BCF is detailed below, based on 2020/21 funding allocation (with final allocation for 2021/22 still to be confirmed): -

Better Care Fund 2021/22	£'000
Programme Management & Business Analysts	185
Hospital based Social Workers	202
HEART/Telecare	760
STEPS / Occupational Therapist service/RAPID	1,790
RAPT	110
(Positive Steps) Social care Assessment Unit/DTOC	2,156
Hospital Discharge Worker	28
Single Access Point for Rotherham Doncaster & South Humber (RDASH)	64
Well North/Doncaster Project	191
Winter Warm	85
Healthier Doncaster	341
Integrated Discharge Team	221
Occupational Therapist - Aligned to STEPS & IDT	186
Occupational Therapist - Supporting enhanced care home MDT's	148
Community Wellbeing Officers	273

Better Care Fund 2021/22	£'000
Community Care Officers	88
Mental Health Social Work Team	206
Community Adult Learning Disability Team	39
Mental Health - Doncaster Mind	200
Enhancement of Dementia support services (Alzheimer's dementia café's)	71
Dementia Advisor/Care Navigator (Age UK)	32
The Admiral service (making space)	81
Home from Hospital (Age UK)	72
Community Wellbeing Officers	186
Carers Support Services & Breaks	200
3 Tier Weight Management	183
Total	8,098

37. The following table sets out the Other Income for 2020/21. This is the 2021/22 baseline starting position: -

Other Income	2021/22 £m
External Recharge Income – includes charges to Schools including Academies (including for the Schools PFI), to the Capital Programme, to the Housing Revenue Account, to St Leger Homes and to the Children's Services Trust	-29.092
NHS Contributions – includes income from Continuing Health Care Contributions and Section 256 and Section 75 Agreements with NHS (Better Care Fund & Pooled Budgets)	-15.694
Trading Services Income – includes fleet transport and public buildings maintenance, Street Scene and Highways operations and Commercial services.	-13.336
Contributions from Other Public Bodies – includes contributions from Rotherham MBC in respect of Waste PFI credits and the Coroners Service, contributions from the Home Office for Prison Libraries, from the Police & Crime Commissioner for Community Safety and recoupment from Other Local Authorities where their children are placed in Doncaster Council maintained schools	-2.196
Contributions Towards Expenditure – includes service charges and various cost recovery charges including recovery of Court costs by Local Taxation Services	-3.244
Investment Interest	-1.489
Developer Contributions – S106 & S38 agreements	-0.290
Other Contributions – includes external income from alarm monitoring for housing associations and from energy companies in relation to feed in tariffs for solar panels	-0.637
Other Income	-65.978

HOUSING BENEFIT

38. The 2021/22 estimated cost of £56.7m is based on an assumed 8,000 caseload for local authority tenants 5,000 in the private sector. The caseloads are similar to 2020/21.

STAFFING

Pay

39. Funding has been set aside in accordance with the latest assumptions on a national pay award of 2.75% for 2021/22 and 2% for subsequent years. The assumptions also include increments being paid every other year; the next increments are due in April 2021 for all staff except DCST staff who continue to receive increments annually.

Pension

40. The actuarial valuation for the period 2020/21 – 2020/23 shows that the Council's Pension Fund is no longer in deficit and has moved into a small surplus therefore the MTFS assumes that the pension deficit budget can be reduced from 2020/21.
41. A summary of the pay inflation provided in the MTFS is detailed below: -

Staffing	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Pay Inflation – based on the assumptions of 2.75% for 2020/21 and 2% for subsequent years	2.853	3.218	2.340	2.340
Increments	0.261	1.616	0.261	1.616
Employers Pension Contribution				
Future Service Rate Contribution Rate (to 17.0% in 2020/21)	1.015			
Employers Pension deficit saving phased	0.300			
Reduce Pension deficit budget for estimated position with protection	-8.595			
Total	-4.166	4.834	2.601	3.956

PRICE CHANGES

42. A proportion of Council expenditure is tied up in contracts, which have inflation increase assumptions built into the terms and conditions, e.g. Adult Social Care, Doncaster Children's Services Trust, Highways and Waste Contracts. The financial strategy assumes that these cost increases will need to be built into future projections in full. There are also a small number of areas of general expenditure on services and goods, where a general inflation factor has been estimated, based upon what is known of the market pressures and various indicators of inflation such as RPI projections, for example repairs and maintenance of buildings.
43. Dependent on the contract, inflationary increases are generally based on either the Consumer Price Index (CPI), Retail Price Index (RPI) or Retail Price Index excluding mortgage interest payments (RPIX). The table below shows an annual comparison of the different indices and various months that are commonly used in contracts: -

Inflation	March		December		September		July	
	2021	2020	2020	2019	2020	2019	2020	2019
CPI					0.5%	1.7%		
RPI			1.2%	2.2%	1.1%	2.4%		
RPIX	TBC%	2.7%			1.4%	2.4%	1.9%	2.7%

44. The cost of price inflation for 2020/21 was £4.6m, including £2.7m for Adult Social Care contracts. The various inflation indicators shown in the table above have reduced since last year. It is assumed that £1.3m will be needed in 2021/22 for Adult Social Care contracts and a further £1.5m needed for other inflation. A summary of the inflation to be provided in 2021/22 is provided below. No inflation is applied for expenditure areas not mentioned below: -

Category	£m
Adults Contracts (Various%)	1.316
Other Inflation	
Apprenticeship Levy (2.75%)	0.012
Audit Costs (10%)	0.015
Building Repairs & Maintenance (Various%)	0.017
Business Rates (0.5%)	0.011
Civic Catering Provisions (3%)	0.004
Coroners (Various%)	0.008
CYPS Placements (Various%)	0.022
Elections (19.5%)	0.026
Electricity (2%)	0.022
Electricity (Street Lighting) (2%)	0.031
Gas (-12%)	-0.042
Highways Contracts (1.1%)	0.055
ICT Contracts (2.56%)	0.034
Insurance (Various%)	0.073
Landfill Tax (2.97%)	0.010
LIFT contracts (1.1%)	0.006
Members Allowances (2.75%)	0.023
Pension / Retirement Costs (0.5%)	0.026
Racecourse Joint Venture (1.1%)	-0.002
Rents (Various%)	0.001
Rotherham Contracts (1.1%)	0.011
SLH Management Fee (2.17%)	0.027
Transport (Various%)	0.047
Waste Collection Contracts (1.4%)	0.075
Waste Disposal Contracts (1.4%)	0.102
Waste Management Contracts (1.4%)	0.029
Water (-3.3%)	-0.007
DCST Inflation	0.243
MRP Inflation	0.139
Public Health	0.240
General (cover for unforeseen items / changes)	0.226
Subtotal Other Inflation	1.484
Total Price Inflation	2.800

BUDGET PRESSURES

45. The service pressures are estimated at £10.2m for 2021/22, £1.2m in 2022/23 and £0.3m for 2023/24; these are detailed at Appendix B. All service pressures are robustly challenged to ensure that they are absolutely necessary for ongoing delivery of Council services. The MTFS also provides £0.1m for levy increases.

Budget Pressures 2021/22

Appendix B

Proposal	Director	Service / Pressure Proposal	Detail	Total	£10.225m	£1.212m	£0.293m	£11.730m
				2021/22	2022/23	2023/24	2021/22 - 2023/24 Total	
				£'m	£'m	£'m	£'m	
2020/21 Pressure	AH&Wb	Adult Social Care	An assumption was included in the 2020/21 budget for demographic changes, updates for 2021/22 have been incorporated into the MTFS assumptions detailed in Appendix A.	0.120	0.120			0.240
2020/21 Pressure	CR	Schools Catering	Reversal of the 2020/21 budget pressure due to less trading days.	-0.116				-0.116
2020/21 Pressure updated	CW	Services	When the budget was approved in 2020/21 an assumption was included for future pressures of £2m in 2021/22 and £2m in 2022/23. Following the identification of specific pressures for 2021/22 the assumption for general pressures has been reduced to £0.5m. A further £2m has also been added for 2023/24.	0.500	2.000	2.000		4.500
2020/21 Pressure	CW	Revenue Contribution to Capital Schemes	One-off pressures in 2020/21 and 2021/22: Fund the Adwick SEC, Integrated People Solution Phase 2 and Customer Journey capital schemes in full and the final year of the Integrated People Solution Phase 1 capital scheme through revenue. One-off pressures in 2020/21: Fund the Electric Pool Cars and Charging Infrastructure and Pool Car Relocation capital scheme through revenue. Fund the Council's contribution to the Transforming Cities Fund capital scheme through revenue. The contribution will be match funded with up to £45m of grant from central government. Fund the Future Placements Strategy (CiC) capital scheme through revenue.	-4.181	-0.327			-4.508
2020/21 Pressure updated	E&E	Strategic Housing	Costs associated with increased demand including 25 temporary accommodation units.	0.148				0.148
2021/22 Pressure	AH&Wb	DCLT	Ongoing reductions in income due to restrictions on capacity etc. result in the need to provide additional support to ensure the borough still has leisure facilities and a cultural offer. The support should reduce over time as the recovery progresses. Current figures are best estimates and will continue to be refined in response to the pandemic restrictions in place.	3.000	-1.500	-1.500		0.000
2021/22 Pressure	AH&Wb	Additional COVID costs faced by care providers	Contingency to help support Doncaster's social care providers and maintain essential service continuity in case Covid impact continues into future years	1.300	0.000	-1.300		0.000

Proposal	Director	Service / Pressure Proposal	Detail	2021/22	2022/23	2023/24	2021/22 - 2023/24 Total
				£'m	£'m	£'m	£'m
2021/22 Pressure	AH&Wb	Social care market pressures	Contingency to support discussions with care providers about evidenced cost pressures (not including Covid) that affect their ability to provide safe, good quality support to people to help them stay as independent and well as possible in their own homes	1.700	0.000	0.000	1.700
2021/22 Pressure	CW	Capital programme	Provide funding to meet borrowing costs (repayment and interest) associated with the capital programme 2021/22 - 2023/24.	0.500	0.500	0.500	1.500
2021/22 Pressure	DCST	DCST cost pressure b/f into 2021/22	The Children's Trust have a number of cost pressures that will be brought forward into 2021/22: Increased Out of Authority placements £1.5m, Education element of Out of Authority packages funded by Dedicated Schools Grant (DSG) £0.7m, 16+ Placements £0.4m, Staffing pressures (mainly agency workers covering vacant posts, maternity leave) £0.5m, reduction in external income £0.4m, and the impact of COVID-19 £0.765m which has resulted in increased costs and an increase in the number of children placed in Out of Authority, in-house and independent foster carers, as well as the number of social workers required due to caseloads.	4.277	0.000	0.000	4.277
2021/22 Pressure	DCST	DfE grant	Department of Education (DfE) funding received by the Trust assumed to reduce over 3 years - £1.2m assumed to be received in 2021/22, £0.7m in 2022/23 & £0 in 2023/24. It has now been confirmed that no grant will be received after 20/21, the shortfall this creates will be dealt with using the £3m increased Social Care grant to be received in 2021/22.	0.000	0.500	0.700	1.200
2021/22 Pressure	E&E	Advance (Employment Support)	Advance is currently funded using the Council's Service Transformation Fund until the 31 March 2021. There are no other employment delivery posts within Business Doncaster to enable a coordinated response to employment support should this function cease. The need for this delivery is made even more essential by the impact of COVID-19 on the local economy; unemployment has doubled since February and with 41,000 people in Doncaster currently furloughed the risk of rising unemployment is high. This team leads the Jobs and Skills Recovery Plan and coordinates the Doncaster Advancement service (enterprise jobs and skills single access gateway and Triage service) which is currently under development as our coordinated, cross council, all age employment support service. The costs of the team could also be used as match funding for up to £880k ESF grant for Doncaster as part of the SCR Advance project (over 3 years) which has recently been supported at ESIF committee.	0.150			0.150

Proposal	Director	Service / Pressure Proposal	Detail	2021/22	2022/23	2023/24	2021/22 - 2023/24 Total
				£'m	£'m	£'m	£'m
2021/22 Pressure	E&E	Launchpad New Business Start up match funding	Match funding is needed to enable the draw down of £139k of ERDF grant via the Launchpad project. This gap / pressure arises in the newly approved extension of Launchpad providing an additional 15 months new business start-up activity for Doncaster from 1 April 2022 - 30 June 2023. The programme can now also support micro businesses regardless how long they have been trading. The Launchpad programme is, now more than ever, a priority for Doncaster in its recovery journey from the impact of COVID-19 on the local economy. It will ensure there is support for people moving into self-employment / new business start-up, resulting in people being economically active and establishing new businesses that will provide jobs for the future. Without the Launchpad project there would be no dedicated business start-up support in Doncaster. The period beyond the Launchpad project will also be considered with regards to how business start-up support can be funded and delivered for the benefit of the people of Doncaster, should a funding scheme not be available to replace the European programme.		0.107	-0.107	0.000
2021/22 Pressure	E&E	Street Scene	The additional funding will make up for a mixture of external income loss £50k (the Tree Team works for example) and additional PPE equipment and COVID-19 related precautions for staff £50k. The position will continue to be monitored - it is possible that the situation continues beyond 21/22.	0.100	-0.100		0.000
2021/22 Pressure	E&E	Enforcement	Estimated on-going income loss from enforcement and fines resulting from changing behaviour in relation to public accessing town centres. Initial estimate entered based on 2020/21 month three monitoring position for car parks and enforcement (including Kingdom contract). The position will continue to be reviewed.	0.284			0.284
2021/22 Pressure	E&E	Trade Waste	Estimated on-ongoing income loss resulting from a 29% reduction in the number of businesses using the service. The position will continue to be reviewed.	0.210			0.210
2021/22 Pressure	E&E	Waste	Increase to waste contract due mainly to increased residential collections and need to operate six additional vehicles and crews (two each for Green, Residential and Recycling) at £180k per vehicle/crew per annum reducing to three additional vehicles and crews, plus the associated additional cost of waste disposal due to increase in tonnages experienced so far. Tonnages continue to be monitored.	0.830			0.830

Proposal	Director	Service / Pressure Proposal	Detail	2021/22	2022/23	2023/24	2021/22 - 2023/24 Total
				£'m	£'m	£'m	£'m
2021/22 Pressure	E&E	Sustainability Unit	The function of the sustainability unit will be driven by the Climate commission report and the Councils Environment and sustainability report which has just been completed and will be out for consultation, these reports will be used to draw up a sustainability action plan which will set the agenda for the unit which may identify further budget requirements which are unknown at this point in time.	0.203	-0.088		0.115
2021/22 Pressure	E&E	Interchange Tunnel	Ongoing cost of the interchange tunnel maintenance previously funded from commuted sum.	0.050			0.050
2021/22 Pressure	E&E	Fly Tipping	Additional resources will enable 15 new posts and 6 new vehicles to be used. The additional staff and vehicles will enable an enhanced service to achieve - increase in daily completion rate of cleansing jobs, a high quality finish in cleansing activities, improved customer satisfaction and improved lived experience, more focussed enforcement in hotspot areas.	0.466			0.466
2021/22 Pressure	LO-CYP	SEN Transport - Demand pressure	Pressure of £684k based on modelling of existing routes as at September 2020 including Bader and current expected growth in demand for SEN placements and associated transport requirements. The estimate assumes 10 OOA pupils return to Bader by September 2021 and we can reduce all 10 taxis along with savings on 10 other non-OOA routes. (Note: SEN placements pressure is contained & managed within the Dedicated School Grant. Transport savings identified in 2020/21 budget still anticipated to be achieved).	0.684	0.000	0.000	0.684

2021/22 Budget Savings approved in 2020/21 budget

Ref	Director	Service	Saving Proposal	Saving Option	Total	-£4.730m	-£1.887m	-£6.617m	14.0	9.6	23.6
					2021/22	2022/23	2021/22 - 2023/24 Total	2021/22	2022/23	2021/22 - 2023/24 Total	
					£'m	£'m	£'m	FTE	FTE	FTE	FTE
A1	AH&Wb	Adult Social Care	Social Care Fees and Charges	Fairer and more consistent Social Care Fees & Charges: The Council's approach under the national Fairer Charging framework needs to be updated so it is both clearer and more consistent, while continuing to protect those in greatest need.	-0.520	-0.520	-1.040				
A2	AH&Wb	Adult Social Care	Residential short breaks	To improve the effectiveness and value for money of residential short breaks for adults with care needs: The Council runs two residential units which provide 18 short-break places in total at any one time. However they are only 68% occupied, and the Council also funds other ways that local people can access this sort of support. Work will be undertaken to determine the causes of under-occupancy in these units. If occupancy cannot be sustainably increased (helping a larger number of family carers to support loved ones for longer) then a reduction in the number of available places in these units should be explored (ensuring the Council can maintain its investment in more popular sources of residential short breaks)	-0.150			-0.150			
A3	AH&Wb	Adult Social Care	Optimising residential and supported living places.	To improve the effectiveness and value for money of residential and supported living provision for adults with complex disabilities The Council runs one residential home and one supported living scheme which support adults with complex disabilities. This is in addition to services run by other providers in Doncaster. There are opportunities to ensure the Council's provision supports those with the highest needs, helping them stay close to friends and family in Doncaster and also enabling them to increase their independence and control.	-0.113			-0.113			
A4	AH&Wb	Strategic Commissioning	Homelessness and Substance Misuse Service	Increase efficiency following re-tender of the Homelessness and Substance misuse service Opportunities have been identified to reduce management costs and increase Housing Benefit income to current services. These changes will not affect the support given to the vulnerable adults and families who use the service.	-0.062			-0.062			
CR1	CR	Finance	Revenues and Benefits Structure	Changes arising from introduction of Universal Credit; The savings are based on the continued reduction in Housing Benefit claims and change events from new claimants migrating to Universal Credit allowing service delivery that reflects the changing environment. This will also significantly reduce the number of Housing Benefit overpayments raised and associated recovery work. Existing Housing Benefit claimants are also expected to be moved over to Universal Credit starting from 2020 through to 2023. The 21/22 proposals also include the impact of further system development and other digital improvements	-0.113	-0.051	-0.164	5.0			5.0

Ref	Director	Service	Saving Proposal	Saving Option		2021/22	2022/23	2021/22 - 2023/24 Total	2021/22	2022/23	2021/22 - 2023/24 Total
						£'m	£'m	£'m	FTE	FTE	FTE
CR3	CR	Finance	Structure Changes within Financial Development and Business Support	Structure Changes; The savings will be delivered through the operation of a lean model, focusing on the following priorities:- 1. Essential services to an acceptable value for money level; 2. Value added services e.g. services delivering high return on investment. A proportion of the savings will be delayed to 2022/23, providing additional one-off improvement capacity including invest to save projects aimed at enabling savings elsewhere in the Council or improving internal processes to help reduce the risk of backlogs with the reduced staffing levels		-0.100	-0.100		4.0	4.0	
CR4	CR	Finance	Financial Management Structure	Structure Changes; The savings for Financial Management will be released by creating a flexible workforce that can be deployed to areas of priority whilst continuing to deliver key specialisms and retaining valuable experience. The service delivery has been redefined to ensure that the skills and finance expertise is targeted where required and managers are provided with the necessary skills/information to carry out their duties i.e. providing the projections for low risk budgets		-0.035	-0.035	-0.070		1.0	1.0
CR5	CR	HR, Comms and Exec Office	HR&OD Structure	Structure Changes; Human Resources and Organisational Development service offer will be reviewed. Focus will be on providing a professional, highly knowledgeable service with staff who are multi-skilled and can transfer between disciplines as required. Functions will be assessed to ensure they deliver value for money whilst supporting achievement of outcomes for services		-0.030	-0.047	-0.077	1.0	1.0	2.0
CR6	CR	Strategy and Performance Unit (SPU)	SPU Structure	Structure Changes; Overall the service will be working differently as a team and this will deliver efficiencies. These efficiencies will be generated through a combination of increasingly focusing on the most important priorities for the organisation, automating the work being completed, this will be achieved through new software / technology will also allow the organisation to become more 'self-serve', and a more streamlined approach to the development and delivery of policy through for example the development of a policy toolkit. The aim is to streamline the amount of policy development work completed		-0.100		-0.100	4.0		4.0
CR7	CR	Legal and Democratic Services	Service Delivery Change	Structure Changes; Savings will be achieved through greater efficiencies, better use of technology and reassignment of work. As the Council shrinks in line with reducing budgets and adopts a revised operating model the need for some core legal services will reduce		-0.015	-0.110	-0.125	2.0	2.6	4.6
CR8	CR	Customers, Digital & ICT	Review of Mobile Phones and Data Connections	Review of Mobile Phones and Data Connections the aim to reduce this cost by 10% each year through to 2022/23		-0.038	-0.038	-0.076			
CR9	CR	HR, Comms and Exec Office	Communications Structure	Structure Changes; Resizing and reprioritising the communications and engagement and support team activities		-0.038	-0.047	-0.085		1.0	1.0
CR10	CR	Customers, Digital & ICT	Technology Systems Reduced Cost	Reduced Supplier Costs; The Council in partnership with Doncaster Children's Services Trust is implementing a new Integrated People Technology Solution for the delivery of Adult and Children Social Care and Education Management. This will cost less in supplier costs each year compared to the current systems and the budget reduction will be achieved as each system is switched off		-0.053		-0.053			

Ref	Director	Service	Saving Proposal	Saving Option		2021/22	2022/23	2021/22 - 2023/24 Total	2021/22	2022/23	2021/22 - 2023/24 Total
						£'m	£'m	£'m	FTE	FTE	FTE
CR13	CR	HR, Comms and Exec Office	HR Shared Service	Further savings negotiated from our payroll provider		-0.020	-0.020	-0.040			
CW1	CW	Council-wide	Metropolitan Debt Levy	Natural end to outstanding debt; Metropolitan Debt Levy - South Yorkshire County Council was abolished in 1986 and its four metropolitan boroughs (Doncaster, Barnsley, Rotherham and Sheffield) became unitary authorities. The SYCC debt was allocated out to the four Councils and will be paid in 2020/21		-2.400		-2.400			
CW2	CW	Cross-cutting	General Efficiencies	General efficiencies		-0.236	-0.152	-0.388			
CW4	CW	Council-wide	Savings from Capital Scheme Delivery	Income arising from commercial decisions and previously approved capital schemes		-0.324	-0.189	-0.513			
CW5	CW	Senior Management	Senior Management Review	Reduction in senior management to reflect revised operating structure of the organisation and working with partners (Directors, Assistant Directors and Heads of Service)		-0.200	-0.200	-0.400	2.0		2.0
CW6	CW	Council-wide	Consolidation of Common Functions	Review options to consolidate common functions across Doncaster service delivery partners to join up services remove duplication and reduce overheads and deliver increased efficiencies		-0.050	-0.050	-0.100			
CW7	CW	Council-wide	Increased dividend	Increased dividend from the Yorkshire Purchasing Organisation (YPO) from 2022/23 based on their latest business plan following YPO's purchase of Findel Education.			-0.150	-0.150			
CT1	DCST	Social Care - Placements	Care Ladder	The Care Ladder savings included in the MTFS approved in 2019 totals £1.6m. The main factors affecting this net saving arise from a reduction in Children in Care from 530 to 500 as well as the joint DMBC / DCST Future Placements Strategy. The intended impact of the Strategy includes ensuring as many children and young people are placed within the borough as possible, as well as increasing the Trust's own foster carers and children's homes, producing better outcomes for Doncaster children, young people and families. The budgeted reduction in costs can be affected by a small change in Children in Care numbers and partnership activities.		-0.599	-0.328	-0.927			
CT16	DCST	Dedicated Schools Grant (DSG)	DSG	Dedicated Schools Grant (DSG) High Needs Block - savings of £532k across financial years 2020/21 - 2022/23 from the Out of Authority (OOA) savings (Ref CT1) will not be general fund savings; these will be savings to the Dedicated Schools Grant (DSG) High Needs Block as they relate to the reduction in costs of Education packages for Looked After Children. This is a much needed saving as there are currently considerable budgetary pressures on the High Needs Block.		0.477	0.265	0.742			
CT19	DCST	Corporate	Pension Deficit	DCST is required to fund its pension deficit over the next 3 years: 20/21 £0.135m, 21/22 £0.138m and 22/23 £0.142m.		0.003	0.004	0.007			

Ref	Director	Service	Saving Proposal	Saving Option	2021/22	2022/23	2021/22 - 2023/24 Total	2021/22 FTE	2022/23 FTE	2021/22 - 2023/24 Total FTE
					£'m	£'m				
EE5	E&E	Environment	Rewild Project	Rewild Project - This project will see grass verges throughout the Borough that are currently close mowed on a regular basis, supported by additional tree and bulb planting to enhance green assets borough wide to support biodiversity and climate change mitigation. These extra planting measures could access external funding to offer a sustainable, high value and robust environmental solutions. By making better use of these assets and natural resources will enable this saving to be achieved. Highway sight lines would not be impacted by this saving option. Consultation to be undertaken.		-0.020	-0.020			
LO2	LOSC	LOSC	Strategic Travel Assistance Review	Travel Assistance - Doncaster Council is currently undertaking a Travel Assistance Review. The review is focussed upon supporting Doncaster's children and young people to become independent travellers where this is possible. The council will consult with families about their travel assistance needs including: independent travel training, allowances to provide appropriate support and assistance for children and young people to education settings, whilst also ensuring that transport is available for those who most need it. The Travel Assistance Review will take into account the views of families to ensure these are encompassed in the future delivery model.	-0.114	-0.049	-0.163			
PH2	PH	Public Health	Exit Expiring Contracts	Review the service offer that addresses the health and wellbeing needs of vulnerable groups as part of developing a more sustainable relationship with Voluntary, Community, Social Enterprise and Faith sector partners.		-0.050	-0.050			

Budget Proposals 2021/22

Appendix D

Ref	Director	Service	Saving Proposal		-£5.297m	-£3.474m	-£0.926m	-£9.698m	3.0			3.0
					2021/22	2022/23	2023/24	2021/22 - 2023/24 Total	2021/22	2022/23	2023/24	2021/22 - 2023/24 Total
					£'m	£'m	£'m	£'m	FTE	FTE	FTE	FTE
CR1	CR	Finance / Trading Services	Fleet Management	Ongoing annual revenue savings generated through reducing the size of our fleet, operating newer vehicles and investing in electric vehicles.	-0.400			-0.400				
CR2	CR	Directorate Wide	Supplies & Services	A review of all non-pay budgets has been undertaken to identify any surplus budgets/efficiencies through improved ways of working e.g. reducing the cost of postage.	-0.162			-0.162				
CR3	CR	Directorate Wide	Staffing	Staffing saving - service provision reviewed and savings generating from removing posts in the structure, along with use of one-off funding to facilitate the savings.	-0.175	-0.145		-0.320	2.0			2.0
EE1	EE	Strategic Asset Management	Telecoms masts	Ongoing income from telecom masts being installed on council buildings.	-0.010			-0.010				
EE2	EE	Planning	Fees & Charges	Increase permitted development enquiries and pre application fees in line with neighbouring authorities from £40 to £70.	-0.015			-0.015				
EE3	EE	Highway Operations/Safer Roads & Highway Network	Additional Income	Additional income from charging staff time to new external infrastructure funding streams covering Highway Operations, Safer Roads and Highway Network.	-0.240	0.220		-0.020				
EE4	EE	Regulation and Enforcement	Bus lane camera	Additional income generated from relocating the bus lane camera.	-0.040			-0.040				
EE5	EE	Regulation and Enforcement	Hatfield Colliery	Review options for site to release security budgets.	-0.050	-0.100		-0.150				
EE6	EE	Directorate Wide	Staffing - VER	Minor staffing savings across E&E - no impact on service delivery	-0.037			-0.037				
EE7	EE	Directorate Wide	Non-pay and Income budgets	Rebasing the budget for greater savings being generated from previously approved budget proposals, additional income currently being delivered e.g. street works income, general efficiencies on service budgets and budget no longer required for government schemes that have ceased. There will be no impact on service delivery as a result of this budget change.	-0.479			-0.479				
EE8	EE	Cross-cutting	New ways of working	Shared accommodation with partners – produce options paper with potential savings								
LO1	LOSC	Directorate Wide	VER	Staff saving	-0.056			-0.056	1.0			1.0
DCST1	DCST	DCST	Previously approved savings	Previously agreed General Fund savings targets of £0.122m in 2021/22 and £0.063m in 2022/23 as part of 2020/21 budget setting that won't be achieved.	0.599	0.328		0.927				
DCST2	DCST	DCST	Previously approved savings	Previously agreed Dedicated Schools Grant (DSG) savings targets of £0.477m in 2021/22 and £0.265m in 2022/23 as part of 2020/21 budget setting that won't be achieved.	-0.477	-0.265		-0.742				

Ref	Director	Service	Saving Proposal		2021/22	2022/23	2023/24	2021/22 - 2023/24 Total	2021/22 FTE	2022/23 FTE	2023/24 FTE	2021/22 - 2023/24 Total FTE
					£'m	£'m	£'m					
DCST3	DCST	DCST	Care Ladder	Care ladder / Future Placements Strategy savings including: - increasing the number of In House Foster carers which will reduce the number of Independent Fostering Agency (IFA's) placements which on average cost £28k more per placement delivering £2.0m savings over the 3 years with £0.8m in 2021/22; and - reducing Out of Authority placements releasing £2.7m over the 3 years, which includes £0.9m savings from opening two bed children's homes in Doncaster.	-1.579	-1.375	-0.956	-3.910				
DCST4	DCST	DCST	Care Ladder	5% Children in Care (CiC) spike due to COVID-19 included in care ladder - it is envisaged that the majority of children referred as a consequence of COVID-19 will be stepped down; this is reflected in the figures by reducing the 5% to 2.5% during 2021/22, and 1.25% for 2022/23 and 2023/24.		-0.363		-0.363				
DCST5	DCST	DCST	Care Ladder	Covid cost pressure included in care ladder - assumed to continue but to reduce year on year as Out of Authority placements reduce.	-0.055	-0.052	-0.031	-0.138				
DCST6	DCST	DCST	Agency social workers	Increased agency social worker costs in 2021/22 due to 5% Children in Care (CiC) spike due to COVID-19.	0.126	-0.126						
DCST7	DCST	DCST	Agency social workers	Reduced social worker agency costs via ASYE growth / retention. A separate Social Worker Academy business case has been presented to the Council requesting investment in 2021/22, which will deliver these savings and additional savings in 2022/23 and 2023/24. To be considered against the additional Social Care funding allocated.	-0.050	-0.150		-0.200				
DCST8	DCST	DCST	Agency social workers	Reduced caseloads in Children in Care (CiC) should impact on a need for fewer agency social workers.		-0.063	-0.063	-0.126				
DCST9	DCST	DCST	Admin savings	Children in Care (CiC) savings should reduce support costs.		-0.042	-0.042	-0.084				
DCST10	DCST	DCST	Gen efficiencies	General efficiencies / VfM: salary sacrifice; pool car, taxis, mobiles, printing; increased income generation.	-0.025	-0.050		-0.075				
DCST11	DCST	DCST	Corporate	Efficiencies created by teams due to increased confidence in practice, and the changing nature of the information and support needed by teams who have become more self-managing. Need to ensure new IT systems are fully functioning, hence 2022/23.	-0.100	-0.280		-0.380				
DCST12	DCST	DCST	Corporate	Reduced corporate costs based upon reduced workloads as Covid impact reduces in 2022/23.		-0.075		-0.075				
DCST13	DCST	DCST	Corporate	Estate savings at 50% over 2 years achieved via co-locating with partners.	-0.085	-0.341		-0.427				
A1	AH&Wb	Quality and Safeguarding (commissioning)	Day Opportunities	Rebasing the budget for previous decision in relation to the Making Space Day Opportunities Contract.	-0.086	-0.200		-0.286				

Ref	Director	Service	Saving Proposal		2021/22	2022/23	2023/24	2021/22 - 2023/24 Total	2021/22 FTE	2022/23 FTE	2023/24 FTE	2021/22 - 2023/24 Total FTE
					£'m	£'m	£'m					
A2	AH&Wb	Adult Social Care & Communities	Recovery & Improvement Board	Recovery & Improvement Board proposals consist of a mix of service improvements, resource/time savings and cost avoidance measures. These proposals include supporting people through transitions to build better lives which will look to improve support, wellbeing and thereby reduce the risk of breakdown and consequently help prevent long-term placements. An indicative estimate of £350k has been included as a potential saving target resulting from this work over the next 2 years.	-0.100	-0.250		-0.350				
A3	AH&Wb	Adult Social Care & Communities	General Budget Efficiencies	A review of all non-pay budgets has been undertaken to identify any surplus budgets that can be released with no impact on service delivery.	-0.182			-0.182				
CW1	CW	Cross-cutting	Review of Charges to HRA	St Leger Homes have identified efficiencies through improved use of technology and other initiatives, delivering a saving to the HRA for 2021/22, and further efficiencies expected for future years. A review of recharges has identified additional costs which require recharging to the HRA thereby delivering savings to the general fund. These will be phased over the same period to coincide with the St Leger efficiencies, therefore not placing further burdens on the HRA.	-0.250	-0.333	-0.334	-0.917				
CW2	CW	Treasury Management	Low Interest Rates	Savings are possible as a result of low interest rates. These rates enable the Council to replace maturing debt at much lower rates. Around £200k of the saving relates to prepayment of pension contributions where PWLB rates were assumed but borrowing has been taken out at lower rates. Reduced interest on investments (due to lower interest rates) has been offset against the saving.	-0.240	0.240						
CW3	CW	Treasury Management	Early redemption premium	Premiums paid for early redemption of debt no longer required.	-0.029	-0.052		-0.081				
CW4	CW	Pensions	Pension pre-payment	Pension pre-payment (short-term). Position after 22/23 will become clear in December 2022 following the next valuation of the fund.	-0.300			-0.300				
CW5	CW	Pensions	Pension - former employees	A reduction in pensions paid to former employees. The number of former employees falls every year. The budget in 2020/21 is £5.3m.	-0.150	-0.150	-0.150	-0.450				
CW6	CW	Pensions	Pension Surplus	The latest actuarial valuation of the South Yorkshire Pension Fund, covering the 3 years 2020/21-2022/23, resulted in a surplus for Doncaster. When the 2020/21 Council budget was approved the budget for paying off the pension deficit was removed but a surplus budget was not created because the valuation hadn't been finalised. The next actuarial valuation will cover the 3 years 2023/24-2025/26 so the budget will need to be reset in 2023/24.	-0.650		0.650					

Ref	Director	Service	Saving Proposal		2021/22	2022/23	2023/24	2021/22 - 2023/24 Total	2021/22	2022/23	2023/24	2021/22 - 2023/24 Total
					£'m	£'m	£'m		£'m	FTE	FTE	
CW7	CW	Council-wide	Increased dividend	Increased dividend from the Yorkshire Purchasing Organisation (YPO) from 2022/23 based on their latest business plan following YPO's purchase of Findel Education. Previously approved in the 2020/21 budget is no longer achievable.		0.150		0.150				

Grants to 3rd Sector Organisations

Directorate	Grant Recipient	Service Provided/Update	2019/20 Budget	2020/21 Budget	2021/22 Budget	Note
A,H&WB	Citizens Advice Bureau (Mexborough/ North East)	The two CAB's provide advice services facing a range of issues such as debt, homelessness prevention, immigration, employment, benefit and consumer issues. They also act as a referral and sign-posting organisation to more specialist advice across a range of public sector services and other voluntary organisations. They also raise other funding streams to benefit the residents of Doncaster. There is a £22,670 recharge to the HRA for Corporate & Democratic Core services)	152,150	152,150	152,150	No change proposed for 2021/22.
LOSC	Partners in Learning (funded from the DSG)	The transfer of services to Partners in Learning for the academic year 2016/17, set out in the 19th July 2016 Cabinet report "Deployment of School Improvement Functions to Partners in Learning Teaching School Alliance 2016/17", enabled the continued delivery of a cohesive and robust delivery of school improvement in line with DfE's requirement for cessation of the LA's duty by September 2017.	96,162	0	0	The Standards and Effectiveness Partner (StEP) function was transferred, along with funding for the 2016/17, 2017-18 and 2018-19 academic years. Grant funding of £283,568 (£187k in 2018/19, £96k in 2019/20) relates to the 2018/19 academic year and is a 1 year continuation, needed to ensure the effective transfer of the function, with the grant amount based on the number of maintained schools as at 1st September 2018. Funding has been provided through School Forum (Dedicated Schools Grant) agreement on 11th April 2018. Payments are made in termly installments with 2 payments for the 18-19 academic year in 2018-19 and 1 payment in 2019-20 financial year. No further requests are expected to go to School Forum. No further payments expected in 20-21
LOSC	Doncaster Community Arts (DARTS)	Through active participation in a huge range of different art forms, Darts enables people of all ages and abilities from different backgrounds to build their confidence and skills to play a crucial role in the cultural, economic and social regeneration of their communities.	43,500	43,500	43,500	No change proposed for 2021/22. It is important to be maintained for now as it can be used to demonstrate match against new funding opportunities through the culture 2020 development work.
A,H&WB	Day Care - Age UK	Day care in the four locality areas Funded from Better Care Fund (BCF).	125,000	125,000	125,000	No change proposed for 2021/22.
A,H&WB	Voluntary Action Doncaster	Funding allocated from Better Care Fund (BCF) to enable increased capacity for the Inclusion & Fairness Forum (I&FF) Leadership team, funding for activity, research, events and insights as well as funding for a Support officer role		25,000	75,000	This is a one-off grant spanning 2020/21 & 2021/22
A,H&WB	Voluntary Action Doncaster	Funding allocated from Better Care Fund (BCF) to deliver a Co-operative approach to sharing skills, knowledge and volunteer recruitment that provides a level of infrastructure support		66,980	63,000	This is a one-off grant spanning 2020/21 & 2021/22
A,H&WB	Woodlands Speaks	Funding allocated from Public Health to deliver Wellbeing Therapies as a community based approach across the borough in response suitable to meet a wide range of conditions and identified wellbeing support needs.		5,860	14,140	This is a one-off grant spanning 2020/21 & 2021/22
A,H&WB	The Reader	Funded through Well Doncaster to recruit volunteers to sustain six Shared Reading groups in Doncaster		7,000	7,000	This is a one-off grant spanning 2020/21 & 2021/22

Grants to 3rd Sector Organisations

Directorate	Grant Recipient	Service Provided/Update	2019/20 Budget	2020/21 Budget	2021/22 Budget	Note
A,H&WB	Fit Rovers	Funded allocated from Public Health the Fit Rovers health and wellbeing programme will complement the current healthy weight portfolio and provides a frontline initiative for males and females around weight reduction and behaviour change approaches	30,000	60,000	60,000	This grant will continue in 2021/22.
A,H&WB	Citizens Advice Doncaster	Funded through COVID Contain the Outbreak Grant to extend the access to the computer pods and add benefits advice to the service offer		25,000	25,000	2020/21 & 2021/22 Only
A,H&WB	Social Isolation Alliance	Funded through COVID Contain the Outbreak grant to provide a series for grant pots to local third sector organisations to provide support to residents affected by Covid-19 and foster collaboration across the sector		50,000	150,000	2020/21 & 2021/22 Only
Total Grants to 3rd Sector			446,812	560,490	714,790	

Appendix G**Fees & Charges Summary of Exceptions 2021/22**

In general charges are not proposed to be increased. The table below details exceptions.

Service	Narration
Archives	Diocesan Records- Issue of C of E Baptism Certificates. Increased from £13 to £14 as set by Church of England authorities and the General Register Office (London). The income budget will not be increased as this is only a minor part of the Archives income and the Archives are currently in storage.
Day Care Services Transport	Increase in Day Care Transport per journey from £4 to £5 as per the 25th February 2020 Cabinet report – "Changes to the Council's arrangements for Adult Social Care Charges".
Planning	Two additional statutory planning fee categories recently introduced by government. Construction of new dwellinghouses - not more than 50 dwellinghouses, £334 for each dwellinghouse and; Construction of new dwellinghouses - More than 50 dwellinghouses, £16,525 + £100 for each dwellinghouse in excess of 50 (maximum fee of £300,000). The income budget will not be increased because there haven't been any of these charges applied since they were introduced in September, and the size of the fee would mean that even a small estimated activity would have a significant impact upon the income budget.
Planning	Proposed increase for permitted development enquiries and pre application fees in line with neighbouring authorities from £40 to £70. The additional income generated is shown as a saving in Appendix D.

Appendix G

New Fees & Charges Summary 2021/22

New Fees (Detailed Charge)	Proposed Charge from 1st April 2021 (£)
Construction of new dwellinghouses - Not more than 50 dwellinghouses	334.00 for each dwellinghouse
More than 50 dwellinghouses (maximum fee of £300,000)	16,525.00 + 100.00 for each dwellinghouse

Planning

Licensing Fees 2021/22

Licensing fees legally required to be set by Full Council (Detailed Charge)	Proposed Charge from 1st April 2021 (£)
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LICENSING - Landlord Licences:**Selective Licensing Edlington - 07/02/18 to 06/02/23 - Fixed term (maximum 5 years)**

DMBC scheme - all licences granted to 06/02/23 - new applicants will need to pay from the historic date when their property became subject to licence, until the end of the licensing period.

Year 1 (5 year licence) 07/02/18 - 06/02/19	515.00
Year 2 (4 year licence) 07/02/19 - 06/02/20	415.00
Year 3 (3 year licence) 07/02/20 - 06/02/21	330.00
Year 4 (2 year licence) 07/02/21 - 06/02/22	245.00
Year 5 (1 year licence) 07/02/22 - 06/02/23	160.00
Homesafe Scheme	75.00
Extra costs incurred, e.g. when additional Correspondence is necessitated due to incomplete applications, will be recovered as an administration charge (per letter)	50.00
Registered Charities	0.00
(£15 discount for additional application within the same scheme, subject to conditions)	

Houses in Multiple Occupation

Landlord Licence Basic fees (5 person HMO)	815.00
Fee for each additional bedroom	56.00
<i>Licence Renewal fee for 5 bedroom properties, subject to:- Current compliance with the Councils standards & existing licencing conditions; no change to the original occupation of the house; application made before expiry of previous Licence (applications after expiry will be treated as new applications) & Licensee and Manager to carry over from expiring licence.</i>	755.00
<i>Additional fee for Each Bedroom in the house</i>	56.00
<i>Extra costs incurred when additional Correspondence is necessitated due to incomplete applications will be recovered as an administration charge (per letter)</i>	36.00
Extra costs incurred which are prompted i.e after 3 months. Additional £50.00 charge added to the fee.	
Property inspection report - immigration & visa	150.00

LICENSING - Other Licences**Miscellaneous:**

Acupuncturist/Tattooist/Ear Piercing	224.00
Transfer or to Add Person	60.00
Civil Marriage Licence	1,385.00
Approval of Religious premises as a place at which two people may register as civil partners of each other.	942.00

Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 New Regs which came into force 1st October 2018

Selling Animals as Pets (1-3 year licence depending on star rating)	514.00
Providing or Arranging for the Provision of Boarding for Cats or Dogs (1-3 year licence depending on star rating)	453.00
Hiring Out Horses (1-5 Horses) (1-3 year licence depending on star rating)	538.00
+ Vet Fee	
Hiring Out Horses (6+ Horses) (1-3 year licence depending on star rating)	734.00
+ Vet Fee	
Breeding Dogs (1-3 year licence depending on star rating)	497.00
+ Vet Insp	
Keeping or Training Animals for Exhibition	457.00
Arrangement of Licence for Home Boarder Franchise Owners per hour (minimum of 2 hours)	45.00
Minor Amendment of Licence per hour (minimum of 1 hour)	45.00
Major Amendment of Licence per hour (minimum of 2 hours)	45.00
Request for Re-Rating per hour (minimum of 2 hours)	45.00
Dangerous Wild Animals (plus Vet Fee if needed)	163.00
+ Vet Fee	

Licensing fees legally required to be set by Full Council (Detailed Charge)	Proposed Charge from 1st April 2021 (£)
Zoo Licence (plus Statutory VET inspection fees as applicable)	1,630.00
Greyhound Stadium Licence	214.00
Sex Establishment Licence Application	2,890.00
Sex Establishment Licence Renewal	2,890.00
Sex Establishment Licence Variation or Transfer	2,140.00
Scrap Metal Dealer - Site	356.00
Scrap Metal Dealer - Collector	229.00
Scrap Metal Dealer - Change of name of Licensee	26.00
Scrap Metal Dealer - Change from Site to Collector	26.00
Scrap Metal Dealer - Change from Collector to Site	224.00
Scrap Metal Dealer - Change of Site Manager	224.00
Scrap Metal Dealer - Additional Site(s) to Licence	87.00
Copy of Licence Fee (Unspecified)	25.00
Gambling:	
Bingo Premises	
Non-conversion fee where a provisional statement has already been granted	764.00
New Premises Fee	1,375.00
Annual Fee	804.00
Variation Fee	1,275.00
Transfer Fee	804.00
Re-Instatement Fee	804.00
Provisional Statement Fee	1,375.00
Change of circumstances	31.00
Copy of Licence Fee	25.00
Adult Gaming Premises	
Non-conversion fee where a provisional statement has already been granted	804.00
New Premises Fee	1,375.00
Annual Fee	774.00
Variation Fee	804.00
Transfer Fee	804.00
Re-Instatement Fee	804.00
Provisional Statement Fee	1,375.00
Change of circumstances	31.00
Copy of Licence Fee	25.00
Betting Premises (Track)	
Non-conversion fee where a provisional statement has already been granted	804.00
New Premises Fee	2,140.00
Annual Fee	845.00
Variation Fee	845.00
Transfer Fee	804.00
Re-Instatement Fee	804.00
Provisional Statement Fee	2,140.00
Change of circumstances	31.00
Copy of Licence Fee	25.00

Licensing fees legally required to be set by Full Council (Detailed Charge)	Proposed Charge from 1st April 2021 (£)
Family Entertainment Premises	
Non-conversion fee where a provisional statement has already been granted	804.00
New Premises Fee	1,375.00
Annual Fee	560.00
Variation Fee	804.00
Transfer Fee	804.00
Re-Instatement Fee	804.00
Provisional Statement Fee	1,375.00
Change of circumstances	31.00
Copy of Licence Fee	25.00
Betting Premises (other)	
Non-conversion fee where a provisional statement has already been granted	774.00
New Premises Fee	1,985.00
Annual Fee	458.00
Variation Fee	957.00
Transfer Fee	804.00
Re-Instatement Fee	804.00
Provisional Statement Fee	1,985.00
Change of circumstances	31.00
Copy of Licence Fee	25.00
Temporary Use Notice	100.00
Liquor Licences	
Personal Licence	37.00
(Fees are set by Central Government)	
Premises Licence	Variable
(Fees are set by Central Government, Premise licences are charged based on a number of factors, e.g. Rateable Value.)	
Lotteries	Various
(Fees are set by Central Government)	
LICENSING - Private Hire/Hackney:	
Vehicle Licensing Hackney (Inc plates & first test)	250.00
Vehicle Licensing Private Hire (Inc plates & first test)	250.00
Vehicle Test at North Bridge	63.00
Retest of Vehicle	28.50
Admin charge on lifting Suspensions	26.50
Private Hire Operators Licence	480.00
Private Hire Operators Licence each additional vehicle over 2 (for licenses issued prior to April 2017)	24.50
Application for Drivers Licence (+ DBS + Knowledge test)	148.00
Joint Application (+ DBS + Knowledge test)	148.00
Renewal of drivers licence	+DBS+Knt 112.00
Knowledge Test	63.00
Replacement Badge / Licence	26.50
Sealing of meter	48.50
Advertising on Taxis Full Livery	31.50
Transfer of ownership	47.50
Surrender of Vehicle Licence / Suspension admin fee	26.50
Front plate bracket	6.00
Rear plate bracket	12.50
Replacement Front plate	18.50
Replacement Rear plate	28.50

Reserves (Estimated Balance at 31st March 2021)

	£m
Restriction (conditions attached to use)	
Health & Social Care Transformation Fund	5.169
School Balances	2.500
Adult Social Care Contracts	1.786
Public Health	1.012
S106 Open Spaces Revenue unapplied contribution	0.574
Section 38 Income	0.505
All Out Local Elections - Four Year Cycle	0.376
Teesland Section 278	0.335
Various Section 278	0.331
Pathway to Traineeships (SFA)	0.257
Revenues & Benefits - Discretionary Hardship	0.114
Sustainable Drainage Approval Body (SAB)	0.101
Lincoln Gardens Six Streets	0.084
Rapid Rehousing Pathway (RRP)	0.073
National Archives Grant	0.061
S106 Highways Revenue unapplied contribution	0.056
Central DSG	-8.738
Others (less than £50k)	0.198
Restriction Total	4.794
General (no conditions attached to use)	
Service Transformation Fund	9.770
Insurance Fund	4.114
Transformational projects in Social Care	3.600
Stronger Families Programme	1.530
Civic Office Major Repairs and Maintenance Sinking Fund	1.481
Severance costs	1.000
Inward Investment Incentive Scheme (Business Rates Incentive Scheme)	0.984
Social Mobility Opportunity Area	0.800
Future Place Strategy-CWD	0.600
Libraries and Culture	0.464
Well Doncaster match funding	0.451
Smaller Leisure Facilities	0.450
Safeguarding Adults Board	0.291
Flood Resilience	0.270
Revenue Contribution to the Capital Programme (pre-work/development costs)	0.215
Flexible Homelessness Grant	0.202
St James Baths	0.199
Enterprise Resource Planning (ERP) - Phase 2	0.182
Transport budget Sec 19 permits	0.169
S106 Interest balances	0.149
Examination In Public (Local Development Framework Sites and Policies)	0.132
Public Spaces Community Order	0.120
Planning 20% Additional Income Balance	0.119
Syrian Resettlement Grant	0.100
Mayor's Pledge to Miners' Statue	0.071
MHCLG Migration Fund	0.070
NPO Grant Arts Council	0.057
Planning Enforcement Fund	0.050
Others (less than £50k)	0.116
General Total	27.756
COVID-19 Response	10.100
Grand Total	42.650

Risk Assessment of Uncommitted General Fund Reserve

Risk	Risks & Quantification	Maximum Potential Call on Reserves 20/21 & 21/22 £m
Known provisions and contingent liabilities as at January 2021	An Insurance Fund provision of £4.7m has been made as per the methodology agreed. A provision of £6.8m for NNDR appeals has been made in 20/21 based on known risks.	Provision identified, unable to quantify potential risk.
Overspend on Service Expenditure	An amount is included for the potential risk of overspends in future years (excluding the risk on deliverability of budget proposals covered below).	Up to 4.0
Major Emergency	The Government has confirmed that the Bellwin Scheme will continue thereby limiting certain costs to be borne by the Council.	Up to 1.0
Robustness of 2021/22 budget proposals	<p>It is prudent to include a risk regarding the deliverability of the 2021/22 proposals to allow for potential slippage on delivery.</p> <p>It is not possible to quantify the risk with certainty. This will need month by month monitoring in 2021/22 and urgent action taken if targets are not being achieved. However, due to the size of the budget reductions and increasing difficulty of achieving the savings £4.0m is included (equivalent to 40% of the 2021/22 budget proposals).</p> <p>One-off funding has been identified (Service Transformation Fund), which is available to fund slippage on the deliverability of savings and reduces this risk.</p>	Up to 4.0
Redundancy Costs	The staffing reductions assumed in the budget proposals will result in additional early retirements and/or compulsory redundancies. A process to reduce staffing through VER/VR's is taking place from December 2020 until March, 2021. A separate earmarked reserve exists for this.	0.0
Capital Programme 2021/22 – 2024/25	There is a risk of grant clawback where projects do not meet their outputs, where they do not proceed, or the Council subsequently breaks the grant conditions. There is also a risk that expenditure will slip beyond the period of the grant so becoming ineligible and require financing from alternative resources.	No major issues at present. Any expenditure likely to slip into 2021/22 to be managed as part of capital monitoring process.

Risk	Risks & Quantification	Maximum Potential Call on Reserves 20/21 & 21/22 £m
Treasury Management	<p>The Council relies on short-term (circa £109m) and under borrowing (circa £76m) to minimise interest costs; there is a risk that if we need to replace the under borrowing with long term external borrowing the Council will incur additional expenditure. If the Council had to replace the £185m of short-term and under-borrowing with long term borrowing, this could cost £1.5m per year at current rates over 5 years and could rise to £2.4m per year over 50 year terms.</p> <p>There is also a risk regarding increasing interest rates. This would cost an additional £1.9m for every 1% increase in interest rates.</p>	Up to 4.0
Reserves and contingencies	Reserves leave little room for further in year pressure, e.g. from new initiatives. To minimise the impact estimates as far as possible are included in the financial plan. This needs close monitoring throughout the year.	Up to 2.0
Abortive development and compensation costs	Any development costs on major capital projects which do not go ahead will become abortive and need to be funded from a revenue resource. This may also include potential compensation costs. Funding has been set aside in an earmarked reserve to meet development costs.	None envisaged at present but will be kept under regular review
Business Rates Appeals	There remains a risk that appeals and mandatory reliefs may be greater than estimated. There is also a risk to baseline income if the economy falls into recession.	Appeals and Business Rates income is kept under regular review
Total Maximum Quantified Risks	15.0	
Uncommitted Reserves Available based on best estimates	16.5	