

Projects to be funded from flexible use of capital receipts

The Council intends to apply £2.8m capital receipts in 2021/22 to fund the following transformation projects.

| Project description | Qualifying expenditure | Budgeted expenditure £m | Expected Savings * |
|------------------------------|---|------------------------------------|---|
| Smartcore | Investment in transformational project that supports HR, Procurement and Finance processes to enable automation and improved efficiency | 1.5 | Efficiencies and savings through improved processes, automation and enabling more tasks to be undertaken via self-service |
| Waste Service | Service redesign to improve efficiencies in waste collection and disposal contracts | 0.3 | Reductions in demand pressure and contract efficiencies to achieve savings in 2023-2025 |
| Waste Service Transformation | Continuation of initiatives with the district and boroughs to incentivise recycling (rephased from 2020/21 due to Covid restrictions) | 1.0 | Reductions in demand pressure and contract efficiencies to achieve savings in 2023-2025 |
| Total | | 2.8 | |

* In most instances the ongoing savings do not depend solely on this investment. Delivering the forecast savings will also require the focus of other, existing resources.

Expenditure on further activities to which the Council could potentially apply flexible use of capital receipts include the following:

- Work to support the transfer of information technology services to a new provision model and the transfer of the remainder of support services ahead of the contract end in September 2022. The expenditure would be to enable efficiencies and achieve savings.
- Any further investment on Fire & Rescue in order to effectively respond to the recommendations of the HMICFRS report particularly in areas surrounding Fire Safety, prevention and protection. This expenditure would be transformational work to improve the service.
- Any further investment on Children First Improvement Programme to transform the service for improved practice, efficiency and effectiveness.

Impact on affordability of Prudential Borrowing

The incremental impact on the Council's Prudential Indicators of £2.8m additional Capital Expenditure in 2021/22 due to its Flexible use of Capital Receipts Strategy is as follows.

| Prudential Indicators | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m | 2025/26 £m |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Capital Financing Requirement | +£2.8m | - | -£0.1m | -£0.1m | -£0.1m |
| Operational Boundary | - | +£1.4m | +£1.3m | -£0.1m | -£0.1m |
| Authorised Borrowing Limit | +£2.7m | -£0.1m | -£0.1m | - | - |

Flexible Use of Capital Receipts – Status on Projects relating to Expenditure in 2019/20

In 2019/20, we incurred £4.0m qualifying expenditure on activities within the Children First Improvement Plan (£2.3m), Fire & Rescue Improvement Plan (£0.1m) and Service Transformation Activities (£1.6m). This expenditure in 2019/20 has enabled a number of workstreams of improvement activity which have led to improved practice, efficiency and effectiveness.

Children’s Services are at the start of their improvement journey so much of the work has been to develop the plan for the most critical areas of practice improvement and the progress has been evidenced and tracked by the independent commissioner appointed by the Secretary of State for Education, along with the Ofsted monitoring visit in November 2019 and focused visit in October 2020.

Qualifying expenditure on Fire & Rescue Improvement Plan was on improving the accuracy of data and the timely processing of information enabling transformation of the stations’ analysis of local risk management to target the highest risks and to reduce demand and cost for the service.

Service Transformation activities have focused on enhancing digital capabilities and delivering service improvements, increasing efficiencies and improving customers’ experience. For example, enabling customers to pay electronically or book online for the majority of the Council’s services.