

Appendix E

2019/20 Growth Proposals					
Description	Notes	2019/20 over 2018/19	2020/21 over 2019/20	2021/22 over 2020/21	2022/22 over 2021/22
		£	£	£	£
Leaving Care (LC) Service - base issue	The historic base budget position for the LC budget is inadequate and current spending exceeds budget by approx £1m. In 17/18, total budget for LC was £1.1m, with total spend of £2.8m, therefore overspend of £1.7m. £0.7m of the overall budget was spent on staffing including Social Worker and Personal Advisor posts. £2.1m spent on direct client expenses including accommodation. In 18/19 budget growth of £0.7m was applied to LC budgets with an assumption that demand would fall, but the pressure has continued.	1,012,000			
Leaving Care Service - increase in the number of Unaccompanied Asylum Seeking Children (UASC)	The number of UASC clients supported is partly due to the number of referrals Sutton receives through the Home Office (HO). New clients are allocated to London boroughs on a rota basis. Sutton had around an average 20 clients in 17/18 but since April have received 12 new referrals. 32 is currently the maximum number of clients that Sutton can support therefore new referrals will only be received once an existing UASC client reaches the age of 18. Accommodating and supporting costs an average £1.2k per week, Sutton can claim some of the direct client costs back from the HO through the UASC <18 grant (subject to grant criteria being met / audit). In overall terms the costs are £2m pa, but Home Office funding is only £1m pa. It is likely that an additional 1.0 FTE Social Worker will be required to support these additional clients.	402,000			
Leaving Care Service - new responsibilities around supporting Care Leavers aged 21-25	From April 2018 The Children & Social Work Act 2017 introduced a new statutory duty on local authorities, to provide Personal Advisor (PA) support to all care leavers up to the age of 25, if they want this support. The service anticipates that this can be covered with a PA post that will need to be created in order to support these clients on an ongoing basis, at a total cost of £50k pa.	50,000			
Adults - domiciliary care pressures	Estimated effect of contractually-guaranteed unit cost increases linked to rising national living wage plus increases as a result of a tendering exercise of contracts covering 70% of all the commissioned domiciliary care, where existing contractors have withdrawn within the contract period.	1,251,500	750,100		
Contingency against increase in demand for care arising from demographic pressures, clients transitioning from Children's Social Care, or increases in the complexity of care needs	Corporate contingency to fund estimated increases in demand for care arising in 19/20 from demographic pressures, clients transitioning from Children's Social Care, or increases in the complexity of care needs. It is anticipated that there will be some increase in the number of care hours required to be commissioned, but this is difficult to predict and can be volatile year on year. The fund will be held corporately until the increased demand is evidenced.	1,000,000			
SEND Transport - Traveller and Alternative Provision	The number of traveller and alternative provision pupils has increased by 20 in 18/19 leading to increased costs of providing travel assistance. These pupils will continue to require support going forward and the costs cannot be contained within existing budgets.	156,000			
Shortfall in indexation	Indexation for the Sutton contribution to Shared Environmental Service for highways contracts has been underfunded for 2018/19.	40,000			
Shortfall in Income - Sutton Market	There is an income expectation of £55k from Sutton Market. Currently there are only 8 traders paying approx £10.50 per pitch per day. Additionally, there are 3 traders, at the top of the High Street, paying £2,382 per annum (based on a 6 month temporary trading licence).	25,000			
Shortfall in income - weights and measures	Historic income target in connection with verification of weights and measures. This service is no longer provided.	10,000			
Parkmap 2019/20 license	Parkmap software 19/20 license cost as part of the the Shared Environment Service 50% contribution. No growth bid has been previously made.	20,200			
Create an additional FTE post within the EP Service (Emergency Planning Assistant).	CMT agreed an additional FTE post would provided for the necessary capacity to continue to deliver Emergency Planning , Business Continuity Management and Event Safety, whilst supporting the implementation of standardisation project plans and procedures	36,000			
Environmental Services Contract	Negotiations are ongoing with the contractor and our partners which are due for completion in the summer of 2019. This is a provisional amount to cover any changes to the services subject to discussions.	500,000			

Rental income from commercial property holdings	Three high street retail units are due for lease renewals in 2019 and one is empty due to insolvency. Rents for retail units in Sutton have gone down, reflecting the current condition of UK High Street retail, and this is reflected in the anticipated cost pressure reported against the Investment Property Portfolio (IPP) in 19/20. The current projection is based on advice from the council's agents and reflects both a reduction in the annual rent plus an expectation that the Council will need to offer rent free periods to existing and new tenants. There is however, every expectation that the units will be fully let although the overall rental income, when the free rent periods work through could be lower. It is anticipated that IPP income will increase by over £1m in 20/21 and £40k in 21/22 from rent reviews including out of borough.	539,000	-1,053,900	-40,000	
Reduction in Housing Benefit Income	The council derives an income from the creation and collection of housing benefit overpayments. Managed migration of the HB caseload to UC will commence in July 19 and end by March 22. This will lead to a reduction in HB overpayments (income). With the residual HB caseload will be pensioners and supported housing, which are less subject to changes that create large overpayments. Income will need to be kept under constant review. This is an adjustment to previous listed cost pressures of £0.150m, £0.100m and £50k (19/20, 20/21 & 21/22 respectively).		150,000	250,000	
Opposition Group Leadership Business Support	The Conservative Group has requested an Opposition Group Leadership Business Support Officer to more effectively enable the opposition function to be carried out now they are a larger group following the elections. This is proposed as 0.6 FTE (£25k).	25,000			
Transaction Fees - Change in EU legislation	In 2015 EU legislation changed the cap on credit and debit card interchange fees. The change means that charges are no longer capped at a flat rate, but instead are calculated on the basis of a % of the transaction value. This has increased the charges made to LBS. Although the changes came into effect in the UK in June 2015, the Council entered into a new banking arrangement at the same time and as a result had a 2 year period of free banking. This period has now ended meaning a return to paying interchange fees and this is at a higher rate than seen previously as a result of the change in the calculation of the charges.	53,000			
Rental income from Russettings first Floor	The previous tenant vacated Oct 17. No new tenant has been found and there are issues as to the suitability of the 1st floor for any occupier as there is no disability access. This is the expected income from rent with no inflationary increase applied.	38,000			
ICT - increased contract cost for the RBK/ LBS use of Microsoft.	The Council extensively uses Microsoft products in order to deliver services. The current three year contract comes to an end in January 2019. Extensive negotiations have been taking place over the past three months to ensure that the impact to the Council on the changes to the Microsoft licensing arrangements is minimised. The current budget for the contract in 18/19 is £0.364m. In 19/20 a £12k inflation increase has been included to take the budget up to £0.376m. Currently Digital & IT has a best estimate at what the future contract cost will be has led to a predicted contract cost of £0.600m. The new contract cost would require the growth of £0.300 m of growth to be split £0.150m:£0.150m between LBS and RBK.	150,000			
Counter Fraud Hub	Annual subscription cost for London Counter Fraud Hub, which is expected to go live in 19/20. This is expected to result in improved detection of fraud and recovery of losses across a number of services including council tax and housing rents.	54,400			
Wellbeing - Leisure contract increases.	Provision for additional costs anticipated to arise following amendments to the existing contract.	73,200			-20,000
Public Health - Staffing	This relates to the expansion of the Public Health team which is now funded from the delivery of savings from the Children's Services transition from Royal Marsden and contained within the overall public health grant.	120,000			
CC&G - Commissioning resources for new policy priorities	One off growth for two years in Commissioning for resources required to support development of new policy priorities in relation to Children's Commissioning: development of an Ambitious for Sutton's Children strategy, support for PH to recommission Children's Community Health Services and delivery of commissioning elements of SEND WSOA following critical Ofsted.	175,200		-175,200	
CC&G - Commissioning / clienting resource for new policy priorities	Growth (partly one off for two years) in Commissioning resource to develop our capacity and systems for clienting and performance managing our range of new delivery models, such as spinout companies, shared services and major outsourced contracts. It is anticipated that following completion of the OBCRs and development of appropriate systems for contract monitoring and clienting, this work will at least in part become BAU and can be subsumed within establishment commissioning resources.	179,000		-69,000	
CC&G - Commissioning	Specialist safeguarding post transferred into Commissioning Unit, previously funded from Government Transition Grant awarded for 2 years (funding now ended).	60,000			

Total		5,969,500	-153,800	-34,200	-20,000
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