

Appendix D

Efficiency Plan - Flexible Use of Capital Receipts

The Government (Dept. Levelling Up, Housing and Communities – DLUHC) have published guidance on the flexible use of capital receipts. This guidance provides the use of the disposal of specified capital receipts to be used for transformation and invest to save related activity.

The Government does not prescribe the type of costs that can be included, but have provided some guidance per the below¹:

“There are a wide range of projects that could generate qualifying expenditure and the list below is not prescriptive. Examples of projects include:

- Sharing back-office and administrative services with one or more other council or public sector bodies.
- Investment in service reform feasibility work, e.g. setting up pilot schemes.
- Collaboration between local authorities and central government departments to free up land for economic use.
- Funding the cost-of-service reconfiguration, restructuring or rationalisation where this leads to ongoing efficiency savings or service transformation.
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible.
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations.
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training.
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others); and
- Integrating public facing services across two or more public sector bodies (for example children’s social care or trading standards) to generate savings or to transform service delivery.”

Capital receipts

The Council can only use capital receipts that directly come to Council and where the Council does not have any residual interest, for example if the Council disposed of an asset to a company which the Council had an interest in, for example a joint venture or local authority owned housing company.

¹ <https://www.gov.uk/government/publications/final-guidance-on-flexible-use-of-capital-receipts>

The Council is proposing, through other elements of the budget papers, to commence the disposal of commercial property and is expecting to dispose of West Street House, which was previously used as a corporate office, during the current financial year.

One of the key projects within the Transformation Programme agreed by Executive in September 2023 is a review of assets to identify where further asset sales or consolidation could be achieved and to seek to improve the customer service experience when attending the Council’s buildings. Likely opportunities in this project include cost mitigation in the provision of court-mandated family time by making better use of existing assets and seeking ways to co-locate services with other public sector partners in order to realise revenue savings and capital receipts.

At present, the Council does not have sufficient funding to fund all of the activities included in the below tables but will do so once capital receipts have been received. These are expected in 2023-24, but there is a risk of assets not being sold in 2023-24, and the sale occurring in 2024-25 instead. If this is the case, the 2023-24 figures will not be able to be funded in full – as per the quarterly budget monitoring reports to the Executive, at least £443k has allocated funding from capital receipts in place.

As highlighted in the main capital strategy, the Government is looking at different options around the use of capital receipts. One area is looking at the option to sell commercial property to improve Council’s reserves position where these are demonstrably low and...”the intent is to encourage divestment of assets held only for revenue and not for the delivering the objectives of the local authority, and providing additional incentives to recognise that local authorities selling such assets will likely be foregoing future revenue income”. The full options being reviewed can be found at [Call for views Capital measures to improve sector stability and efficiency.pdf \(levellingup.gov.uk\)](#)

The Council need to have an Efficiency Plan to access any changes through the above potential new measures, though details have not been fully released.

Use of capital receipts and schemes during the 2023-24 financial year

The table below sets out the potential eligible schemes that the Council is proposing, subject to capital receipts being available, to allocate the flexible use of capital receipts. This is a summary of the potential schemes, not necessarily all of the schemes that will receive funding through this flexible use of capital receipts.

Item	Description – how will this reduce costs	Value / £m	Saving	Payback period / years
Children services recruitment and retention payments	Funding payments to attract employed staff and reduce agency costs within the service – net 12	0.79	Cost avoidance of £0.48m	2 years

Capital Strategy Financial Years 2024 -2034

	additional permanent staff emp			
Adult Social Care staffing costs for market management, business & project management, and transitions	Part funding of posts where undertaking cost saving activity e.g. re-negotiation of lease payments and contracts to reduced ongoing costs	0.36	0.2	2.5
Adult Social Care posts for Continuing Health Care and care homes	Posts to review and ensure contributions are made from health partners to fund health costs	0.03	Costs associated with CHC and transformation project to reduce costs and/or ensure that health are paying accordingly for the relevant client packages	1 year
Environment transformation projects	Including development of Biodiversity Net Gain and Natural Solutions Delivery, Consolidation of water supply contract, Digitising pitch bookings / problem reporting system, Rural Demand Response transport & Home to School Transport and Waste Strategy Development	0.26	0.05	6 years
Procurement post	Aggregating procurement costs through category management approach	0.19	0.5	Ongoing
Financial Review Panel costs	Costs of staffing to review and reduce in year agency and staffing costs	0.14	Focus on expenditure. Contribution to the reduction in agency spend (£0.4m in Q3).	1 year

Capital Strategy Financial Years 2024 -2034

			Cost avoidance.	
HR / payroll systems post	Fixed term post to deliver transformation through new HR/Payroll system, rationalising number of systems being used and offsetting future revenue cost increases	0.07	Contribution towards project saving and cost avoidance of 0.35	1 year
Review of capital finance costs	Review of capital financing policy with options to deliver ongoing savings	0.13	4.1	< 1 year
Talent attraction post	linked to children's services recruitment and retention – posts to decrease agency costs	0.12	0.12	< 1 year
Service Director – transformation and project manager	Posts funded to find ongoing revenue savings through the new transformation programme e.g. asset review	0.19	0.1	< 2 years
Project management posts in project management office	Funded posts for service redesign and reconfiguration through new systems / procurement review etc	Up to 0.26	All team contribute to transformation projects of the council.	Continuous
Digital services team	Driving a digital approach to the delivery of more efficient public services and how the public interacts with the Council	Up to 0.47	All team activity contributes to transformation projects in the council.	Continuous
Restructuring costs	Funding the cost-of-service reconfiguration, restructuring or rationalisation where this leads to ongoing efficiency savings or service transformation	n/a	Provided restructuring leads to reduced ongoing costs	If it occurs
Total		Up to 3.01	6.3	

Proposed use of capital receipts during the 2024-25 financial year

This is a summary of the potential schemes that can have funding applied, not necessarily all of the schemes that will receive funding through this flexible use of capital receipts.

Item	Description – how will this reduce costs	Value / £m	Saving	Payback period
Children services recruitment and retention payments	Funding payments to attract employed staff and reduce agency costs within the service - MSP, transformation way of working to retain colleagues due to the impact on salary forcing colleagues to leave WBC and move to agency positions, this transformational work has reduced colleagues leaving the service and reduced impact to the revenue pressures	0.79	See above	2 years
Adult Social Care staffing costs for market management, business & project management, and transitions	Part funding of posts where undertaking cost saving activity e.g. re-negotiation of lease payments and contracts to reduced ongoing costs	0.3	Costs associated with CHC and transformation project to reduce costs and/or ensure that health are paying accordingly for the relevant client packages	2 years
Adult Social Care posts for Continuing Health Care and care homes	Posts to review and ensure contributions are made from health partners to fund health costs	0.1	Costs associated with CHC and transformation project to reduce costs and/or ensure that health are paying accordingly for the	2 years

Capital Strategy Financial Years 2024 -2034

			relevant client packages	
Talent attraction post	linked to children's services recruitment and retention – posts to decrease agency costs	0.12	Reduction in agency spend	1 year
Service Director – transformation and project manager	Posts funded to find ongoing revenue savings through the new transformation programme	0.19	0.12	< 2 years
Project management and procurement posts in project management office	Funded posts for service redesign and reconfiguration through new systems / procurement review etc	Up to 0.26	All team contribute to transformation projects of the council.	Continuous
Digital services team	Driving a digital approach to the delivery of more efficient public services and how the public interacts with the Council	Up to 0.47	All team contribute to transformation projects of the council.	Continuous
Learning disabilities review	Review of Learning Disability (LD) placements to reduce costs in a more appropriate placement. We now have LD clients living into their 80's and their LD needs are now being taken over by older people needs e.g. dementia and general nursing. In recent years we have seen requests for large increases from LD providers. In some cases these increases have been as high as 40%. Many of our older LD clients could have their needs met in different, less expensive placements.	0.11	0.22	< 1 year

Capital Strategy Financial Years 2024 -2034

Childcare lawyers	Funding increased costs of childcare lawyers and a new legal post to review cases before they go to the childcare lawyers team to reduce costs in the medium and long term.	0.1 ²	0.05	2 years
Children in Care Mental Health Support	A joint project between three Local Authorities with Berks. Health Foundation Trust to provide a Mental Health Team for Children in Care. This team focusses on providing consultation and support for children and their carers to avoid placement breakdown and promote positive change and development, and leverage in contributions from other partners.	0.08	To be determined.	
Voluntary Community Sector	The Voluntary and Community Sector provide a wide range of diverse services that are complimentary to those statutory and non-statutory services provided by the Council. Through collaboration with our Voluntary and Community Sector we enable residents and communities to thrive, and reduce costs for the Council.	0.1	To be determined	< 8 years
Recruitment of Foster Carers	Increase the number of foster carers to ensure the best outcome for the increased number of children coming into care and offset the more expensive IFA and	0.1	0.52	< 1 year

² total increase in budget cost is £0.7m for 24-25 which this post will seek to avoid as much as possible

Capital Strategy Financial Years 2024 -2034

	residential placement costs			
Options review – Shaw House	Market appraisal of feasibility of using of heritage assets for generation of visitor income.	0.01	To be determined	< 5 years
Walnut Close	Refurbishment and use for service in the interim	0.1	0.1 cost avoidance	1 year
S117 review	Residential placement costs review	0.05	0.16 (cost avoidance)	3 years
Strategic Asset Review	Review of assets to free up land for economic use or to integrate services	0.1	To be determined	< 2 years
Supporting the Adult Social Care market	To fund cost changes in the social care market	Tbc	To be determined	< 5 years expectation
Review & utilisation of existing ICT systems	Review and use / explore opportunities for existing ICT systems to consolidate activity and deliver efficiencies	0.1	To be determined subject to the review	< 5 years expectation
Children’s service prevention work	Children’s Services would seek to prioritise earlier intervention to prevent escalation of need before issues become entrenched or more complex.	Tbc	To be determined	< 5 years expectation
Homelessness prevention	Business case to invest in staff in housing to prevent and reduce the increase housing costs.	0.2	To be determined	< 5 years expectation
Restructuring costs	Funding the cost of service reconfiguration, restructuring or rationalisation where this leads to ongoing efficiency savings or service transformation	n/a	Provided restructuring leads to reduced ongoing costs	If it occurs
Total				

Implications on the Council’s prudential indicators

The future capital receipts have not yet been allocated against the future capital programme, so there is no immediate impact on the Council’s prudential indicators. Any in

Capital Strategy Financial Years 2024 -2034

year amendment will need to be reported in future iterations of this document and on the prudential indicators.

If the Government option of allowing the sale of assets to increase reserve, where these are demonstrably low, then this would have positive impact on the Council's prudential indicators and financial resilience.