

 EXECUTIVE 1st June 2017		Agenda Item No. 3
Title	Fit For the Future Change Programme	
For further information about this report please contact	Andrew Jones (01926) 456830 Andrew.jones@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive 2 nd June 2016 (Min 6)	
Background Papers	See above	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes Ref 839
Equality & Sustainability Impact Assessment Undertaken	No
Not applicable.	

Officer/Councillor Approval	Date	Name
Chief Executive	19 th April 2017	Chris Elliott
CMT	24 th April 2017	Chris Elliott, Bill Hunt, Andrew Jones
Section 151 Officer	5 th May 2017	Mike Snow
Monitoring Officer	18 th April 2017	Author
Portfolio Holder(s)	15 th May 2017	Councillors Mobbs & Coker
Consultation & Community Engagement		
Final Decision?	Yes	

1 SUMMARY

- 1.1 The report provides an update of the Council's Fit For the Future Change Programme which has been developed to address the significant reduction in funding from central government, maintain or improve service provision, and support and invest in the Council's staff.

2 RECOMMENDATIONS

- 2.1 That Executive agrees the additions to the Fit For the Future (FFF) Change Programme set out in Table 1.
- 2.2 That Executive notes the latest position of the outstanding initiatives of the previously agreed Change Programme set out in Table 2.
- 2.3 That Executive notes the financial savings from initiative FFF16 (Tender of Leisure Centre management contract) at Table 2 which will see the Council making average ongoing savings of £1,380,000 for the next ten years as against the £800,000 anticipated in the FFF Change Programme.
- 2.4 That Executive notes that a three-year Major Sites Delivery Officer post to support new development in and around Kenilworth will be funded by agreed Section 106 obligations although any shortfalls/delays in this funding will have an impact on the General Fund.
- 2.5 That Executive notes that officers will utilise the existing delegated authority arrangements to draw funding from the Service Transformation Reserve (STR) as and when required to support additional entrepreneurial activities, subject to consultation with the Leader and Finance Portfolio Holder.
- 2.6 That Executive agrees to the release of £24,000 from the Planning Appeal Reserve (PAR) to finance the unbudgeted costs of the Local Plan process.
- 2.7 That Executive notes the letter from the Council's Section 151 (S151) Officer to the Department for Local Communities & Government's (DCLG) Director of Planning at Appendix 1 accepting the proposed 20% increase in planning application fees and agrees to increase the Council's income by £165,000 with a commensurate increase in expenditure and that consequent budget apportionments are determined by the S151 Officer in consultation with the Council's Senior Management Team.
- 2.8 That Executive agrees to release £10,000 from the Council's Contingency Budget to support the Business Festival sponsored by Coventry and Warwickshire Local Enterprise Partnership (LEP).
- 2.9 That Executive notes the updated savings profile as shown in paragraph 5.4 which incorporates the new FFF projects and the table in paragraph 5.9 which shows the Council's financial position should the various current initiatives, detailed in this report, not be achieved.
- 2.10 That Executive notes the expenditure that is not funded as part of the Medium Term Financial Strategy (MTFS), and how additional funding will be required to meet these future liabilities so as to ensure future service provision (paragraph 5.10).

3 REASONS FOR THE RECOMMENDATIONS

3.1 Recommendation 2.1

3.1.1 In order to deal with the significant changes anticipated for local government, the Council agreed a FFF Change Programme in 2010 covering three interrelated strands:

- Service
- People
- Money

3.1.2 The *Money* element of the programme is to produce initiatives that would either save money or increase income whilst at the same time not impacting upon the quality or breadth of services provided by the Council. This strand has delivered significant savings/ increased income since 2010 (in the region of £10m) but as the amount of grant from central government continues to reduce there is an ongoing requirement to produce further initiatives. Following consultation with respective Portfolio Holders it is recommended that the initiatives included in Table 1 below are now included in the FFF Change Programme. Where the level of savings/ increased income cannot currently be determined, it is recommended that this information is provided in future *Budget Review* reports from the S151 Officer. However, Members should also note that even where amounts of savings are included, these are early estimates as reviews and/ or business cases will be ongoing or required.

3.1.3 Members will note that there are initiatives in the proposed programme that will neither generate income nor reduce cost and may actually add to cost. Officers have identified specific council functions where it is considered that extra resource is required if the Council is to maintain or improve its service (a strand of FFF) and so proposes the extra investment. Full business cases will be submitted to Executive before any changes are made.

3.1.4 Table 1 - Additions recommended to the FFF Change Programme

Reference	Initiative	Savings/ income/cost	Commentary on initiative
Initiatives intended to produce savings and/ or generate income			
FFF1	Review One Stop Shop Service	Unknown at this point.	Although this initiative is already in the programme the terms of reference of the review have now been fully determined following Executive approval in February 2017.
FFF2	Review CCTV Service	Unknown at this point.	Review of delivery options and service scope began in March 2017. Report to be submitted to Executive should any material changes be proposed.
FFF3	Review approach to car parking charges	Unknown at this point.	Modelling being undertaken to determine appropriate car parking regime. Report to be submitted to Executive.
FFF4	Introduce a local good cause lottery	Savings: £30k	Business case to be worked up. Lotteries run elsewhere raise income for good causes (organisations not currently being funded) and a central fund (able

Reference	Initiative	Savings/ income/ cost	Commentary on initiative
			to reduce the core funding provided to organisations).
FFF5	Combine Tourism/VIC services to bring about cost reduction	Savings: £15k	Although this initiative is already in the programme no savings have previously been identified. At the minimum it is assumed that the saving of the former grant to Warwick Town Council can be made.
FFF6	Restructure – Assets Team	Savings: £30k	An element of the Assets function is already in the programme but the scope has been extended to include all of the Service.
FFF7	Advertising opportunities	Unknown at this point.	Contract with a company trading as Publitas finalised. Audit of potential opportunities to be undertaken at which point an advertising income figure will become clearer.
FFF8	Reduce B&B placements	Savings: £60k	All B&B placements currently discontinued. Continued resilience and cost reduction will be achieved through use of an HRA property in Willes Road as additional temporary accommodation from June 2017.
Initiatives intended to improve service			
FFF9	Restructure - Development Management Team	Cost: £30k	An element of the Development Management function is already in the programme but the scope has been extended to include all of the Service. The Council has submitted a business case to Government accepting the proposed increase in planning fees and this along with a restructure will bring about an improved service.
FFF10	Restructure – Neighbourhood Services	Cost: £50k	An element of Neighbourhood Services is already in the programme but the scope has been extended to include all of the Service (bar Bereavement Services). This will bring about an improved service but at increased cost.
FFF11	Review Procurement Service	Savings: Nil	Review commenced to explore the delivery model options for the Procurement function. The terms of reference of the review include a cost neutral outcome.
FFF12	Restructure - Benefits Team	Savings: Nil	With substantial elements of Benefits work to remain with the Council (all pensioners, council tax reduction and support to Universal Credit), no net savings are anticipated because of the vulnerability of the Government’s administration grant.

3.1.5 The savings identified at Table One amount to a net figure of £55k. Whilst this figure is not significant when there is further information in respect of initiatives FFF1, FFF2, FFF3 and FFF7, it is hoped that there will be a further positive impact on the Council's financial position.

3.2 Recommendation 2.2

3.2.1 The Council's FFF Change Programme has now been in place for seven years and has enabled the Council to continue to deliver a full range of services without large increases in council tax or charges. The Programme's progress has been reported annually to Executive throughout the seven year period and at Table 2 below, the latest position is provided on each of the initiatives where an update has not previously been reported.

3.2.2 Table 2 - Fit For the Future Change (FFF) Programme's latest position on outstanding initiatives

Reference	Initiative	Anticipated savings when programme agreed	Latest savings	Update as at June 2017
FFF13	Review of financial contribution to Shakespeare England	£25k	Nil	Review completed. Executive decided to continue payment at previous level (£75,000 per annum) on the proviso that certain key performance indicators were achieved, and reported back to Overview & Scrutiny Committee.
FFF14	Review of Concurrent Services and parish support	£145k	£145k	Changes to schemes agreed by Council November 2016 realise savings of £145k which have been profiled within 17/18 Budget and MTFS.
FFF15	Review of One Stop Shop service	£50k	£50k	Also see initiative FFF1 above. Savings of £50k already achieved by removing two vacant posts from the Council's staffing establishment. Factored into 17/18 Budget and MTFS.
FFF16	Tender of Leisure Centre Management contract	£800k	£1,380k	Average ongoing savings over the next ten years of £1,380,000 (when measured against 2014 project commencement figures) with effect from 1 st June 2017. Savings and concession fee profile factored into the MTFS.

Reference	Initiative	Anticipated savings when programme agreed	Latest savings	Update as at June 2017
FFF17	Restructure - Arts/Entertainm't services - Phase I	£40K	£40k	Ongoing increased income of £40k factored into 17/18 Budget and MTFS.
FFF18	Arts/Theatre staff review - Phase II	Unknown at that point		On hold whilst the Council seeks a partner for its Leamington Creative Quarter feasibility study.
FFF19	CCTV staff overlap period review	£15k	Nil	A Feasibility study established that a reduction in staff time would have seen an unacceptable diminution to the service provided. This initiative has been removed but see FFF2 at Table 1.
FFF20	Senior Management Review	£200k	£200k (anticipated)	Not programmed until 2019/20 so no work started as yet.
FFF21	Increase in income from Crematorium	£60k	£44k	Executive agreed business case in March 2017 to generate additional net income of £60k (£44k of this had already been factored into the MTFS).
FFF22	Review of HR & Media Team	Unknown at that point		Review to be completed by March 2018.
FFF23	1% reduction in Council's discretionary spend	£100K	£100k (anticipated)	2017/18 £25k budget reduction and three lots of £25k (2018/19, 2019/20, 2020/21) have been included in MTFS.
FFF24	Review of Voluntary & Community Sector (VCS) and community support	£50k	£50k	Executive agreed in March 2017 to reduce investment in VCS and community support by £49K with effect from April 2018. Factored into the MTFS.
FFF25	Review delivery model for Enterprise Team's work	Unknown at that point	Nil	Report to be submitted to Executive when due diligence concluded.
FFF26	Revised staff terms & conditions	£145k	£178k	£135k saving achieved for 16/17 and £43k factored into 17/18 budget.

Reference	Initiative	Anticipated savings when programme agreed	Latest savings	Update as at June 2017
FFF27	HQ Relocation	£300k	£300k (anticipated)	Planning applications for Covent Garden site (full) and Riverside House site (outline) to be submitted 30/6 for consideration by Committee 12/9. Marketing and procurement exercises to be completed post-planning to fix receipt and cost figures respectively for final viability assessment and report to Full Council in early 2018. Estimated completion of on site now end of Q3 19/20 for occupation of offices and opening of new car park.
FFF28	Town Hall Transfer	£85k	£85k (anticipated)	Realisation of savings dependent on FFF27 and, consequently won't be until final quarter of 19/20. Options for future use of building being explored through Creative Quarter initiative.
FFF29	Member Allowances	£15k	£15k (anticipated)	Executive to consider a report on 28 th June from the Independent Remuneration Panel.

3.2.3 Members will note that since last reporting, many of the initiatives have either been completed or business cases approved by Executive with savings/ increased income factored into the 2017/18 Budget or MTFS as appropriate. Initiatives FFF20, FFF27 and FFF28 amounting to £585k of savings, are still to be delivered and need to be monitored very closely. Section 5 describes the latest MTFS position in detail but Members will note that the Strategy does not reflect funding for potential projects such as the Europa Way development, Kenilworth Leisure Centre enhancements and Linen Street Multi-Storey Car Park (MSCP) re-provision. There are also emerging pressures around salary review (local and national) and enforcement activity. As these matters come forward, they will need to be considered in the context of the Council's overall financial position.

3.3 Recommendation 2.3

3.3.1 Members will be aware that the work on the Leisure Management contract has now concluded and the savings/ increased income that this initiative has produced are now clear.

- 3.3.2 In 2014 approval was granted to start work on the consideration of an external operator for the Leisure Centres. In agreeing this, the in-house team were asked to put together an offer that could be considered when making any decision about seeking an external partner. The in-house team responded to the challenge and by getting on a more commercial footing the budgets saw a net reduction in cost of some £285,000.
- 3.3.3 Having considered the in house figures, it was felt that the enhanced commercial approach an external operator would be able to bring could not be ignored and should be tested through a comprehensive OJEU compliant procurement process.
- 3.3.4 Following the conclusion of this process, the average full year savings from this exercise, and on-top of that already achieved by the in-house team, will be in the order of £1,095,000.
- 3.3.5 This will mean that the Council will be able to repay the annual borrowing costs for the Leisure Centre improvements of £483,000 and have a further £612,000 to use for other purposes.
- 3.3.6 The concessions from the operator increase over the period of the contract from £610k in 2019/20 to £1,389k in 2026/27 (subject to index linking). This is well in excess of the £600k per annum included in the MTFS in February.
- 3.3.7 The process in total will have improved the Council's financial position by £1,380,000 on an average annual basis.

3.4 Recommendation 2.4

- 3.4.1 Members will be aware that the Local Plan proposes significant growth to the south of, and to the east of Kenilworth. Experience gained from the development of the sites to the south of Warwick, Leamington and Whitnash is that significant organisational and community benefits can be gained through the Council working with developers to produce a co-ordinated approach to delivery.
- 3.4.2 It is therefore proposed that a Major Sites Delivery Officer is recruited to consider the issues arising from the cluster of sites in Kenilworth and provide additional support for other developments taking place within the town centre.
- 3.4.3 The cost of a three-year temporary post should be able to be funded from Section 106 obligations between the Council and various other parties. However, this will need to be closely monitored for any potential shortfalls or delays in the predicted funding as this could require an element of the costs of the post being met by the General Fund. In such a scenario the appropriate report would be brought to Executive setting out the implications for the MTFS.

3.5 Recommendation 2.5

- 3.5.1 Members will recognise that with the FFF change programme being in place for seven years and numerous initiatives already having taken place to either reduce cost or increase income, it becomes increasingly challenging to identify new studies or projects to bring forward. More recently officers have brought forward projects that seek to put the Council on a more entrepreneurial footing i.e. leisure management contract, crematorium improvements, use of

advertising, development of the Creative Quarter initiative. However, it is considered that expert support is needed to examine further commercial opportunities such as:

- Investment in Council assets to increase income;
- Purchase of assets to generate ongoing revenue;
- Borrow to invest.

3.5.2 The Council does have a joint venture arrangement Limited Liability Partnership (LLP) with Public Sector Plc to ensure that the Council is able to maximise the value that it is able to drive from complex development and regeneration projects and ensure additional value is created above and beyond what other delivery mechanisms could provide. However, part of the rationale for establishing the LLP was this form of joint venture would provide the Council with maximum flexibility for future projects and there would be no requirement or assumption that all development or investment opportunities would be delivered through this vehicle. Consequently the Leisure Centre investment does not involve the LLP but they are leading on the HQ relocation project. It was originally envisaged that the LLP could lead on assessing how the Council can maximise the return on all its assets but officers believe that its energies need to be wholly devoted to the HQ relocation project which, as shown in Table 2, will not be completed until the end of 2019.

3.5.3 It is therefore proposed that officers adopt a different approach to obtaining the specialist advice that is required to enable the Council to take full advantage of emerging commercial and entrepreneurial opportunities. Recent work undertaken to assess potential asset acquisitions has identified the need to commission commercial property valuations, retail market assessments of future letting potential and financial assessments of potential yield, specialist skills that are not available within the Council's workforce. Based on this experience the likely cost of each individual feasibility investigation is between £1,000 and £5,000 depending on the extent and nature of the work required.

3.5.4 Officers will therefore utilise existing delegated authority arrangements to obtain the necessary advice. The Chief Executive and s151 Officer are able to authorise expenditure of up to £20,000, drawn down from the Service Transformation Reserve under delegated powers and Executive is asked to note that officers will utilise these arrangements to support the adoption of a more entrepreneurial approach to the way that the Council manages and potentially re-configures its existing asset base.

3.5.5 Officers believe that this proposed approach to exploring potential commercial opportunities is a more cost-effective option, allowing specialist work to be commissioned as and when required, than seeking to recruit an officer or officers with the necessary skill set(s).

3.5.6 Fleetness of response is clearly an important consideration for the Council as it develops this entrepreneurial approach to its asset management strategy. Officers will, therefore, seek to identify appropriate framework agreements to allow the necessary advice to be commissioned speedily, in response to market pressures and opportunities. Funding for this is proposed to be using the existing delegations, with the addition of consultation with the Leader and Finance Portfolio Holder.

3.6 Recommendation 2.6

3.6.1 At its meeting on 2nd June 2016, Executive agreed to set aside a sum of £95,000 from the PAR to support the Local Plan process. This sum was added to funds that has already been set aside from the PAR (see report to Executive 28th January 2015) to provide a budget of £215,000 for the Local Plan. This was made up of three main elements:

- Inspector Costs: £150,000
- Programme Officer Costs: £35,000
- Consultants costs: £30,000

3.6.2 As at 31st March 2017, the Inspector's costs were £139,058. Given that this does not include the costs of his time to analyse the Main Modifications consultation and to prepare his final report and conclusions, it is highly likely that the sum of £150,000 that had been set aside will be insufficient. It is therefore proposed that a further £24,000 be set aside from the PAR (which currently has an unallocated balance of £159,000, see paragraph 5.12) to support the Local Plan. This additional sum of £24,000 will be added to the sum of £10,942 already set aside for the Inspector and an existing balance £16,000 which had been set aside for Local Plan consultancy. This provides for a total budget of £51,000 to cover the Inspector's costs through to the adoption of the Local Plan thereby ensuring that the Council has a spatial plan in place to deliver its Sustainable Community Strategy and Fit For the Future objectives.

3.7 Recommendation 2.7

3.7.1 Recognising the increasing demands on local authority planning teams along with the reduction in Government grant, Central Government has agreed that Councils can increase planning application fees by 20% subject to a business case being approved. On 10th March 2017, the S151 Office wrote to DCLG accepting its proposal to increase fees and provided a business case detailing where the increased income would be sent.

3.7.2 The Council now awaits formal confirmation of the increase but assuming that this is confirmed, the S151 Officer has estimated that the Council will raise an extra £165,000 during 2017/18 and it is therefore proposed that the Council's Chief Officers work with the S151 Officer to determine precisely where the increased income will be allocated so that commensurate expenditure can be made.

3.8 Recommendation 2.8

3.81 In November of this year the LEP's Growth Hub will be sponsoring a Business Festival with the aim of delivering:

- regional conferences, exhibitions and trade fairs;
- sector specific days – addressing key SME challenges;
- networking and new business opportunities.

3.82 The company delivering the Festival has recently completed such a Festival in Leicester and Leicestershire. Having considered what the company had delivered, the Managing Director of the Growth Hub approached the Chief Executives of the Warwickshire Councils recommending that the LEP supports a similar initiative. Following a meeting between the Managing Director and senior officers of this Council, it is considered that an investment of £5,000 to support

the Festival itself and a further £5,000 for any other opportunities that the Festival generates should be made available.

- 3.83 Ordinarily the Growth Hub sets-out a fully costed programme of work at the beginning of the financial year, however, the Festival proposition arrived after budgets had been set and so it is unfunded although the Growth Hub will be going ahead with it anyway hoping that an element of the funding can be recouped from various public and private sector sources.

4 POLICY FRAMEWORK

- 4.1 The Council's Sustainable Community Strategy (SCS) has five thematic priorities and three cross-cutting priorities areas. The recommendations in this report are consistent with the strategy as they ask Members to agree a programme of work which to a greater or lesser degree touches on all areas of the strategy.

- 4.2 Underpinning the SCS is the Council's Fit For the Future (FFF) Change Programme which consists of three strands:

Service - Delivering customer focused services by: using customer measures, helping to build trust, continuously improving, understanding our customers, and using systems thinking.

People – Valuing our staff, empowering our staff, supporting our staff through change, ensuring our communication is clear and regular.

Money – Managing the resources appropriately to balance our budget, ensuring our assets work for us, ensuring our town centres are vibrant and create solutions to increase our revenue.

- 4.3 The recommendations within this report are consistent with all three strands but particularly in relation to the *Money* strand as the Council's Change Programme seeks to deliver the necessary savings/ increased income which will enable the current basket of services to be maintained.

5 BUDGETARY FRAMEWORK

- 5.1 The Council's Medium Term Financial Strategy (MTFS) was last presented to members in February 2017 as part of the Budget report. At that time the profile of savings required over future years was as follows:-

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Deficit-Savings Required(+)/Surplus(-) future years		412	201	-202	830
Change on previous year		412	-211	-403	1,032

- 5.2 The figures above include many savings that have been agreed to be made in future years, including:-

- £300k Office relocation
- £85k Town Hall Transfer

- £80k Changes to Members Allowances
- £200k Senior Management Review
- £75k Further reductions in Discretionary Spend
- £42k A review of Community Partnership spending

If the above savings are not achieved, the savings needed to be found will increase accordingly.

- 5.3 The MTFS has now been reviewed to take account of latest information and updated assumptions. It has also been rolled on a further year to include 2022/23. The new FFF initiatives in Table 1 earlier, and updates to the initiatives in Table 2 have been factored in. The main changes to the Strategy are as follows:-
- 5.3.1 Pensions – Pension contribution increases in the period 2017-2019 of £250k were included in the February MTFS. Following the results of the 2016 Pension Fund Revaluation, the increased contributions are still required within the MTFS, although it has been possible to spread them over the full 5 years of strategy.
- 5.3.2 Leisure Options – as discussed in paragraph 3.3 the Leisure Options (FFF16) work has enabled substantial savings to be factored into the MTFS. Some of these savings have been made in recent years and already included within the current and previous years’ budgets. Also, some of the savings were anticipated on the letting of the management contract for the leisure centres, with estimated recurring future savings of £600,000 per annum included in the MTFS as at February 2017. The concession due to be received from SLM is in excess of this, with the increased concession contributing a further £600k on top of the assumed £600k towards the savings required to be found by the Council.
- 5.3.3 Due to delays to the Office Re-location project, with its knock-on impact on the realisation of savings from the Town Hall Transfer, due to a number of factors including the uncertainty caused by the conflicting advice received from the Environment Agency on the extent of the development area at Riverside House (ultimately requiring the viability assessments to be comprehensively re-worked) the assumptions on when the savings from these projects will be available has been re-profiled. Originally anticipated as being achievable from April 2019, they have now been re-profiled to commence nine months later from January 2020.
- 5.3.4 Business Rates Retention – the projected income for future years has been reviewed based on latest information, appeals and 2016/17 outturn. Overall the net business rates, including contributions to/from the Business Rates Retention Volatility Reserve have remained unchanged. At the end of the period of the MTFS, there is estimated to be £0.5m in the reserve. With the introduction of 100% Business Rates Retention expected by 2020/21, the figures are likely to face substantial changes in future years.
- 5.4 Taking into account all these changes, the updated savings profile is as follows:-

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Deficit-Savings Required(+)/Surplus(-) future years	272	221	-494	309	536
Change on previous year	272	-51	-715	803	227

5.5 It will be noted that for 2018/19, with the inclusion of the new FFF projects (Table 1), the Council still needs to secure additional savings of £272k. Officers will undertake further work to identify how savings/ increased income can be achieved for inclusion in the 2018/2019 budget.

5.6 The inclusion of the year 2022/23 increases the savings requirement as the estimated income does not keep pace with estimated increases in expenditure. By 2022/23, the Council still faces needing to find further savings of over £500k, although it will be noted that this is an improved position from that presented in February 2017.

5.7 The above savings profile assumes many savings previously agreed by members which still need to be achieved. These include:-

£300k – Office relocation
£85k – Town Hall Transfer
£200k – Senior management review

5.8 The above savings profile also includes the following new FFF savings projects:-

£30k - Introduce a local good cause lottery
£15k - Combine Tourism/VIC services to bring about cost reduction
£30k - Restructure – Assets Team
£60k - Reduce B&B placements

These projects will all require further consideration by members prior to their implementation. Similarly, the further Discretionary Savings (FFF23 £75k) and Review of Members' Allowances (FFF29 £15k) will require member endorsement.

5.9 If the savings referred to in paragraphs 5.7 and 5.8 above are not made, this will significantly impact upon the MTFs. The resultant updated savings figures would be as follows:-

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Deficit-Savings Required(+)/Surplus(-) future years	432	718	314	1,118	1,345
Change on previous year	432	286	-404	804	227

5.10 Alongside the MTFs, members continue to need to pay attention to the liabilities that are not fully funded in the medium term. These include the funding of corporate assets, ICT, and Equipment Renewals. In addition, members will need to consider the Car Park Strategy, where further funding issues need to be considered. It should be noted that, whilst the MTFs makes some provision for

ICT and Equipment Renewals, there is no on-going funding to the reserves that the Council holds.

- 5.11 Recommendation 2.4 requests funding for a 3 year Major Sites Monitoring Officer. The estimated cost of this is £135k. Currently the Council holds £104k S106 contributions unused from developers which may be used towards this. Further funding is expected to be due over the next two years which should fully cover the cost of the three year post. If there is any delay in this funding being received, it will be necessary for this to be funded by the General Fund.
- 5.12 Recommendation 2.6 includes allocating £24,000 for further Local Plan Inspection costs. These are proposed to be funded from the Planning Reserve. On closing the 2016/17 Accounts £150,000 has been allocated to the Planning Reserve, bringing the unallocated balance on the reserve to £159k (excluding the S106 monitoring contributions of £104k). This allocation will reduce the unallocated balance on the Planning Reserve to £135k. Full details of Final Accounts and the outturn position will be reported to Executive in July.
- 5.13 Recommendation 2.8 recommends an allocation from the Contingency of £10,000. The current unallocated Contingency balance is £171,000.

6 RISKS

- 6.1 This report relates to all aspects of Council Service delivery. The Council has a strong risk governance framework in place from the Significant Business Risk Register through to the individual Service Risk Registers and on to day-to-day risk assessments. Individual projects have their own Issues and Risk logs and there is regular reporting either to Project Boards and/or Executive.
- 6.2 The experience of the last 7 years for local government is that the funding situation gets worse than anticipated. There is therefore a risk that even though there is a plan for delivering savings/ increased income, even more is required. It is therefore prudent to put plans in place which deliver savings/ increased income in excess of the current known requirement. Consequently, Members will need to consider very carefully all areas where the Council is able to increase its income.

7 ALTERNATIVE OPTIONS CONSIDERED

- 7.1 No alternative options to the recommendations in this report have been considered as the FFF Change Programme has proved very successful in delivering the Council's Services whilst reducing its costs and increasing its income.