

Agenda Item No:	8	
Committee:	Overview and Scrutiny	
Date:	10 December 2018	
Report Title:	Progress update on the Fenland Comprehensive Spending Review (FDC-CSR1).	

Cover sheet:

1 Purpose / Summary

To provide the Committee with a progress update setting out the achievement of savings required as per the Medium Term Financial Plan to 2021/22.

2 Key issues

- In July 2015, the Council voted to establish a Fenland District Council Comprehensive Spending Review (FDC-CSR1) in light of the significant further savings of approximately £1.8 million the Council was required to find from 2016-17. This savings target subsequently increased to £3.206m over the Spending Review period following the final Local Government Finance Settlement. In 2016/17, £968,000 of savings were delivered with a further £105,000 in 2017/18, leaving savings of £2.133m still to be identified and delivered.
- The FDC-CSR identified £1.667m savings over the medium term to 2021/22 leaving a further £0.466m to find. The remaining amount of savings to be found was to be considered in future years as the amount will not have remained static and absolute. The reason for this is that over the years the expenditure and income of the Council will have changed as part of the normal annual budget cycles and the incorporation of the savings achieved from the FDC-CSR1 including due to timing differences.
- Since the approval of the FDC-CSR1, members received detailed business cases on several proposals some which have now been fully implemented or which are progressing to implementation. These include the following:
 - Community House external funding
 - Ceasing Youth District Council
 - Community Grants review
 - Garden Waste charging
 - Leisure Centre management options
 - Contact Centre review
 - Wireless CCTV
 - New Horizons Bus

3 Recommendations

- That the Committee notes the report.

Wards Affected	All
Forward Plan Reference	
Portfolio Holder(s)	Leader of the Council, All Portfolio Holders
Report Originator(s)	<p>Kamal Mehta, Interim Corporate Director and Chief Finance Officer (S.151 Officer)</p> <p>Paul Medd, Chief Executive</p> <p>Amy Brown, Interim Corporate Director and Monitoring Officer</p> <p>Gary Garford, Corporate Director</p> <p>Richard Cassidy, Corporate Director</p>
Contact Officer(s)	<p>Paul Medd, Chief Executive,</p> <p>Kamal Mehta, Interim Corporate Director and Chief Finance Officer (S.151 Officer)</p> <p>Amy Brown, Interim Corporate Director and Monitoring Officer</p> <p>Gary Garford, Corporate Director</p> <p>Richard Cassidy, Corporate Director</p>
Background Paper(s)	CSR reports and previous Budget reports

Report: Update on progress on the Fenland Comprehensive Spending Review (FDC-CSR1).

1 Background / introduction

- 1.1 In July 2015, the Council voted to establish a Fenland District Council Comprehensive Spending Review (FDC-CSR1) in light of the significant further savings of approximately £1.8 million the Council needed to find from 2016-17. This savings target subsequently increased to £3.206m over the Spending Review period following the final Local Government Finance Settlement. In 2016/17, £968,000 of savings were delivered with a further £105,000 in 2017/18, leaving savings of £2.133m still to be identified and delivered.
- 1.2 The FDC-CSR1 identified £1.667m savings over the medium term to 2020/21 leaving a further £0.466m to find. The remaining amount of savings to be found is to be considered in future years through a CSR2 but the amount will not have stayed static and absolute. The reason for this is that over the years the expenditure and income of the Council would change as part of the normal annual budget cycles and the incorporation of the savings achieved from the FDC-CSR1 including timing differences.
- 1.3 An update on the FDC-CSR1 has been provided in the annual budget reports in 2017/18 and 2018/19. Detailed business cases have been presented to members to progress the implementation of the CSR savings to fruition.

2 Considerations

- 2.1 Officers in consultation with the Leader and relevant Portfolio Holders have been working hard to ensure that the FDC-CSR1 savings are implemented within the timescale set out which was that by 2020/21 a total of cumulative savings of £1.667m will have been achieved. Appendix A shows the current position as at November 2018.
- 2.2 By the end of this financial year (2018/19) the Council will have achieved £1.230m and it is scheduled to achieve a cumulative total of £1.651m by the end of the next financial year (2019/20), the variance being due to timing differences in implementation and therefore realising the full year effects of the savings. It is estimated that the ongoing cumulative full effect of the FDC-CSR programme of savings will have achieved a total of £1.802m by 2020/21. Overall, the Council will have achieved more than its original target of £1.667m as the savings actually achieved in a number of areas are higher than originally estimated i.e leisure management contract
- 2.3 This clearly shows that the Council, in taking the hard and difficult decisions to make the required savings over the medium term was diligent in bringing forward proposals that were achievable and not putting itself in the position of having targets that were over ambitious or unachievable as has been reported in some Council's which are having to draw heavily on their reserves.
- 2.4 All of the FDC-CSR1 savings projects are impacted on by factors and considerations that affect the timing of implementation and therefore some projects have been able to be implemented in accordance with the original timescale whilst a small number are requiring longer to bring them to fruition i.e customer service shops
- 2.5 Overall, the Council has put itself in a relatively secure position that will allow it to address future financial risks facing it in a managed manner. The Medium Term Financial Plan (MTFP) is being updated for the period 2019/20 to 2022/23 and this will show the in-year and cumulative budget deficits which will inform the future savings programmes. It will be part of the budget considerations by Cabinet and Council over the next three months.

2.6 Whilst this is a progress report on the implementation and achievement of the FDC-CSR1 savings programme, it is important to keep in mind the future risks and uncertainties facing the Council as regards its finances including known spending pressures. The outcome of the Fair Funding Review, the Business Rates Retention System, the replacement of the New Homes Bonus, Local Plan Review costs, Pension Fund triennial valuation (1 April 2020) and resultant employers contribution rate, costs of the Clinical Waste Collections service from 1 April 2019 are all unknowns and not quantifiable at present and therefore keeping the Council's reserves at the current and robust levels will be a key element of the MTFP together with the already published council tax increases factored in. The forecast deficits for the Council as reflected in the draft 2019/20 budget report are as follows:

- 2020/21 = £632k
- 2021/22 = £605k
- 2022/23 = £777k

The discussion and consideration of the next programme of savings/income generation, (FDC-CSR2) is expected to commence early in the new Council as budget deficits are forecast for the medium term (2020/21 to 2022/23) based on current known information.

3 Effect on corporate objectives

- 3.1 The FDC-CSR1 savings programme will deliver savings and increased income in order for the Council to be sustainable over the medium term.
- 3.2 The Council faces significant risks and uncertainties in the medium term as set out in paragraph 2.6 including known spending pressures and therefore needs to ensure a robust level of reserves and maximises the revenue from its local tax raising powers.

4 Community impact

- 4.1 The Council has become leaner whilst at the same time maintaining front line services through alternative service delivery models. Further savings and income generation programmes will be required to keep the Council sustainable into the future.

5 Conclusions

- 5.1 The FDC-CSR1 savings and income generation programme was created to ensure that the Council remains financially secure and sustainable. The programme is estimated to achieve cumulative total savings of £1.651m by 2019/20 and the full effect is estimated to be £1.802m by 2020/21.
- 5.2 By their very nature not all projects within the programme are able to be implemented at the same pace in the timetable and some projects may not be delivered either in full or in part by the end of 2019/20. Whilst most projects have been implemented in consultation with the Portfolio Holders a number of them are sensitive to and dependent on the wider policy considerations of the Council such as economic regeneration and other partners such as the relocation of the services from the Services Shops to partner's premises.
- 5.3 The MTFP is being updated to determine the future year's budget deficits including factoring in the continuation of the published council tax increases. The MTFP and the Budget Estimates for 2019/20 will be presented to the Cabinet and Council over the course of the next three months.
- 5.4 The Council faces significant risks and uncertainties in the medium term as set out in paragraph 2.6 above including known spending pressures and therefore needs to ensure a robust level of reserves and maximises the revenue from its local tax raising powers.
- 5.5 It is expected that work on FDC-CSR2 will commence early in the new Council following the election in May 2019.

CSR Projects

Update : 29 November 2018

APPENDIX A

		2018/19	2019/20	2020/21	2021/22	2022/23
		£000	£000	£000	£000	£000
CSR Projects completed and included in MTFS Feb 2018 Bottom Line						
Garden Waste - Self-funding scheme	Charge for Brown Bin collection - Net effect	-522	-530	-530	-530	-530
Community Grants	Phased reduction of SLA's	-73	-81	-81	-81	-81
Policy and Comms	Stop monthly Fenlander page	-3	-3	-3	-3	-3
Member Services	Review civic events and expenses	-1	-1	-1	-1	-1
Member Services	Review twinning arrangements	-1	-1	-1	-1	-1
Awards	Business Awards - stop	-3	-3	-3	-3	-3
New Horizons Bus	Decommission and sell	-31	-31	-31	-31	-31
Council Tax Support Grant Funding	Remove Town/Parish funding	-59	-89	-89	-89	-89
Youth District Council	Stop YDC programme	-57	-57	-57	-57	-57
Business Premises	Increase occupancy of light industrial units	-10	-10	-10	-10	-10
Customer Services	Contact Centre reduce targets or service hours	-123	-123	-123	-123	-123
Open Spaces	Reduction in bedding plants	-10	-10	-10	-10	-10
Open Spaces	Cancel Green Flag accreditation	-1	-1	-1	-1	-1
CCTV	Wireless & ARC	-49	-49	-49	-49	-49
CCTV	Increase income from businesses covered by cameras	-31	-31	-31	-31	-31
Street Scene	Work with another provider to deliver enforcement	-6	-6	-6	-6	-6
Golden Age	Deliver differently	-10	-10	-10	-10	-10
Customer Services	Deletion of Customer Services Post wef 01.04.18	-50	-50	-50	-50	-50
CSR Projects delivered	Delivered and included in Service Budgets - Feb 2018	-1,040	-1,086	-1,086	-1,086	-1,086
Vehicle Workshop	Investigate delivery models	-30	-30	-30	-30	-30
Support Services - PFC	Review assuming Leisure Outsourcing	-31	-41	-41	-41	-41
Leisure Centres	Look at management options	-115	-351	-351	-351	-351
Community House	Close, review Community Support team		-28	-28	-28	-28
CSR Projects	Delivered during 2018/19	-176	-450	-450	-450	-450
Other CSR Projects ongoing						
Cemeteries	Review staffing levels for cemeteries service					
Open Spaces	Review staffing for Open Spaces	-14	-55	-55	-55	-55
Customer Services	Relocate March and Wisbech Shops to Libraries		-38	-76	-76	-76
Wisbech Port	Lease arrangements quayside land					
Wisbech Port	Increase wharfage income			-25	-25	-25
Wisbech Port	Pursue windfarm activity/income					
Fenland Hall/Base	Office utilisation and market spare capacity			-30	-30	-30
Tourism Development	Options to reduce, partner, stop, advertising income					
Housing Options	Investigate shared service opportunities					
Environmental Health	Explore shared service opportunities					
Licensing	Investigate shared service opportunities					
CCTV	Consider alternative service delivery opportunities		-15	-65	-65	-65
Support Services	Review following Leisure Outsourcing		-7	-15	-15	-15
Total Other CSR Projects ongoing	Projects in Progress and included in MTFP	-14	-115	-266	-266	-266
Total CSR Projects	Net Benefit to MTFP	-1,230	-1,651	-1,802	-1,802	-1,802

Removal of vacant post
PFC Restructure implemented - June 2018
In progress. Contract start date 4.12.18
No external funding available

Restructure implementation November 2018

Shop leases terminate in 2019/20
Implementation ongoing
Implementation ongoing
Implementation ongoing
Options being identified
Options being identified
Options being identified
Options being identified
Report to Cabinet/Council December 2018

CEL Support Team review