WARWICK DISTRICT COUNCIL	**EXECUTIVE** **3rd September 2015**	**Agenda Item No.** **6**

Title	Sustainable Community Strategy & Fit For the Future Updates and Service Area Plans 2015/16
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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 meeting 29th July 2015; Executive Meeting 30th July 2014; Executive Meeting 11th December 2013
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 724
Equality & Sustainability Impact Assessment Undertaken	No
Not applicable.	

Officer/Councillor Approval	**Date**	**Name**
Chief Executive	27th July 2015	Chris Elliott
CMT	27th July 2015	Chris Elliott, Bill Hunt, Andrew Jones
Section 151 Officer	12th August 2015	Mike Snow
Monitoring Officer	23rd July 2015	Author
Portfolio Holder(s)	17th August 2015	Cllr Mobbs & Cllr Coker

Consultation & Community Engagement	
N/A	
Final Decision?	Yes

1 SUMMARY

1.1 This report asks Executive to approve changes to the Council's Sustainable Community Strategy, Fit For the Future programme and agree the Service Area Plans for 2015/16.

2 RECOMMENDATIONS

2.1 That Executive agrees the additional priorities for the Council's Sustainable Community Strategy (SCS) as described at paragraph 3.3.

2.2 That subject to agreeing recommendation 2.1, Executive agrees the Fit For the Future (FFF) change programme and corporate projects/ feasibility studies described at paragraphs 3.4 and appendix A respectively noting that the change programme will be subject to ongoing review.

2.3 That subject to agreeing recommendation 2.2, Executive agrees the Service Area Plans (SAP's) at Appendices B to H with any minor alterations to these delegated to the relevant chief officer in consultation with their Portfolio Holder.

3 REASONS FOR THE RECOMMENDATIONS

3.1 At its Council meeting of 22nd January 2014, Warwick District Council agreed a refreshed SCS based on five themes:

- Prosperity;
- Health & Wellbeing;
- Housing;
- Safer Communities; and
- Sustainability

Each of these themes has its own strategic aims and priority areas for action which have underpinned Council officers' day-to-day work. (The Sustainable Community Strategy can be found Here).

3.2 With the formation of a new administration following the Council elections in May, officers have been working with the Portfolio Holders to develop further actions to help deliver the new Executive's aspirations. These actions have been based on the following principles:

that the Council should be commercial in its outlook through raising revenue and reducing cost;
that the Council should encourage economic growth throughout the district;
that the Council should partner with other organisations and share services where there is an evidence-based business case; and
that all the district's residents should be able to access the necessary advice and support from the Council.

3.3 From these overarching principles, the Council's Executive asked that a programme of work was developed that is complementary to the current SCS priorities but which clearly sets out what it wants to achieve over the next four years. Working with Portfolio Holders, officers have therefore drawn-up additional SCS priorities for the Executive's approval:

Recommended Priorities	**Specific Actions**	**SCS Theme**

We will support all town centres to flourish	• We will support and promote the tourism and retail offering of the District • We will review our economic development functions • We will assist the Town Councils with production of their neighbourhood plans	Prosperity
We will support the District's economically disadvantaged residents	• We will support our residents in accessing appropriate welfare assistance such as benefit entitlements, tax credits and food banks whilst making available funding for employment initiatives to support those who can work	Prosperity

We will review our activities to ensure they maximise the opportunity for income generation	• We will review our:
	  ○ Investment strategy;
	  ○ Assets/small landholdings;
	  ○ Marketing/sales strategy;
	  ○ Approach to benchmarking and learn from best practice; and
	• Ensure that our operations are run on a sound commercial basis
		Prosperity

We will help mitigate the impact of HS2 on our communities	• We will work with local residents and business to ensure that issues are addressed on an ongoing basis	Sustainability
We will adopt a Local Plan that balances the needs of all stakeholders	• We will develop masterplans for the major allocated sites addressing housing, business and infrastructure needs; • We will meet the needs of the Gypsy and traveller communities	Prosperity Housing Sustainability Health & Well being Safer Communities
We will help to attract inward investment to the District	• We will review our economic development functions; • We will work closely with the LEP; • We will source government and agency grants; • We will "be at the table" to help lead the Combined Authorities debate	Prosperity
We will review our options for WDC HQ Relocation bringing forward a recommendation at the earliest possible opportunity	• We will review the option of not moving; • We will review discarded options; • We will ensure parking issues are fully addressed; • We will consider all tenure types	Prosperity Sustainability
We will review the Council's transport support for residents	• We will include in the scope of the review: ○ The current taxi token	Health & Well being

	scheme; ○ The demand created by medical/hospital appointments; ○ The needs of disabled/infirm residents	
We will review the CCTV service	• We will ensure that a comprehensive review considers: ○ Outcomes for our residents and business; ○ Value for Money; ○ Views of stakeholders	Safer Communities
We will review the size of the Council	• We will review the number of Councillors in step with the recently completed review of the County Council's Division boundaries	Prosperity
We will review our Car Parking Strategy	• We will ensure that a comprehensive review considers: ○ Outcomes for our residents and business; ○ Value for Money; ○ Views of stakeholders	Prosperity

3.4 FFF Change Programme

3.4.1 The SCS is this Council's commitment to residents, businesses, visitors and investors. To deliver on the commitment the Council needs to have the appropriate resources in place. Since 2010, the Council has been running a FFF programme to bring about organisational change. That programme has been extremely successful with savings/ income generation of £3m; a basket of services that is largely undiminished; and a review of every service area within the Council to ensure that it is working as effectively and efficiently as possible. However, it is clear that against a national backcloth of public expenditure reduction, the Council's need for a programme of change remains and that the next chapter of FFF needs to be developed.

3.5 Members will be aware from the *Budget Review to 30th June 2015* report of 29th July, 2015 that the current financial projections indicate an ongoing saving requirement/ income generation of £1.1m by 2020/21 but with just under £1 million of that by April 2016. The full savings profile can be seen in the table below.

3.5.1 Medium Term Financial Strategy Savings Profile

Ongoing savings required	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Additional savings	0	977	-195	228	-15	92
Cumulative savings	0	977	782	1,010	995	1,087

3.5.2 Officers have therefore been compiling a programme of work for Members' consideration which they believe can meet the financial challenge whilst at the same time protecting the vast majority of the Council's services. This programme is based on discussions with Portfolio Holders and the proposed priorities as set out at paragraph 3.3. Executive is therefore asked to endorse the following programme but recognising that many of the initiatives will require business cases and Executive agreement:

3.5.3 Staff

- Negotiate with trade unions to secure changes to car allowances and mileage rates - Potential saving £145k. £100k has already allowed for this within the financial projections above in 2018/19. However, it is now estimated that there may be additional savings, and that these should be able to be secured earlier.
- Amalgamate management of the Council's Arts and Entertainment Services - Potential saving £40k
- Review Service Structure in Health & Community Protection - Potential saving £70k
- Review Senior Management Team - Potential saving £70k
- Undertake Support Services Review - Potential saving £100k
- Restructure Land Charges function - Potential saving £20k

3.5.4 Services

- Provide investment in the Council's leisure centres to enable income to be maximised and costs reduced - Potential saving/ income £500k
- Provide investment in the Council's information technology to enable more services to be accessed on-line (Digital by Default) - Potential saving £100k
- Council's phone and one stop shop services reviewed - Potential saving £170k
- Review housing advice contract arrangements - Potential saving £20k
- Review transport support for residents - Potential saving £40k
- Review car parking strategy - Potential income £50k

3.5.5 Assets

- Transfer/ disposal of the Town Hall to another body - Potential saving £85k

3.5.6 Councillors

- Review the number of Warwick District Councillors in tandem with the recently completed review of the County Council's Divisional boundaries - Potential saving £80k
- Review the role of the Council's Chairman - Potential saving £20k

3.5.7 Miscellaneous

- Secure cheaper price for Council's new energy contracts - Potential saving £320k
- Review various financial contingency provisions - Potential saving £50k
- Consider alternative investment instruments - Potential income £50k
- Reduce "discretionary spend" budgets by 5% - Potential saving £415k. 2.5% increases have already been factored into the financial projections for 2016/07 and 2017/18. It is now proposed that these are amalgamated into savings to be included within the 2016/17 Budget.

3.5.8 Should all of the aforementioned initiatives be achieved then officers estimate that savings/ increased income would total £1.83m over and above current

MTFS forecasts. This is in excess of the savings requirement currently shown in the financial projections by £743k.

3.5.9 However, Members should also note that in addition to the projected shortfall, the following items are currently unfunded from the base annual budget in the medium term:-

- £250k for ICT equipment replacement
- £100k general equipment replacement
- £150k Rural/Urban Capital Investment Scheme
- £50k Historic Buildings Grant

If all the savings discussed above materialise, this should enable £550k per annum to be included within future Budgets for these items.

3.5.10 However, this would still leave the Capital Investment Reserve and Corporate Asset Reserve with no ongoing stream of funding. Officers will propose options to address this in a future report.

3.6 The proposed programme of work is in addition to the following projects that are currently work in progress not all of which will realise savings and so only the first bullet point below has a potential saving against it:

- Relocation of the Council's Headquarters - Potential saving £300k (already included within the financial projections within para 3.5.1)
- Review of Historic Building Grants/ Heritage Open Days
- Review of Sports, Arts and small grants
- Review of Concurrent Services
- Review of Council's assets
- Review of Economic Development functions

3.7 Taken together, the proposed and current programmes of work would realise savings/ increased income of £2.645m. This level of savings would give a "cushion" of circa £200k or 20% of the overall savings requirement within the financial projections.

3.8 Members will note that the proposed change programme will still leave a deficit of £182k in year 2016/17. This figure will undoubtedly change as the financial year progresses and officers will continue to develop proposals to meet this shortfall although the Council does have the benefit of being able to use reserves as a one-off contribution.

3.9 At its meeting of 30th September 2015, Members will receive a report on the Council's proposed Fees and Charges for 2016/17. Officers will be working to ensure that a commercial approach is taken to the setting of fees and charges whilst at the same time ensuring that the more economically disadvantaged residents are not excluded from services.

3.10 The proposed programme of work at 3.5 is the inward-facing element of FFF, however, over a number of years officers have also been working on an outward-facing programme which is bringing or would bring about change in the district. Details of this element of the programme are detailed at Appendix A. This programme has been reviewed to ensure it is aligned with the proposed priorities of the Executive and has the appropriate resources available for delivery. Members are asked to endorse these projects and feasibility studies.

3.11 At Appendices B to H are the proposed SAP's for 2015/16. They have been produced following discussion between the relevant Service Head and Portfolio Holder and are consistent with the proposed work programme described in this report. Members are asked to agree the Service Area Plans with any minor alterations being agreed with the appropriate Portfolio Holder.

4 POLICY FRAMEWORK

4.1 The Sustainable Community Strategy underpins the work of the Council and informs the Fit For the Future programme of work. Each year Service Area Plans are developed in line with the FFF programme detailing which measures will be used to understand how effective the Council is being in delivering FFF and setting out the key projects/ feasibility studies for the year.

5 BUDGETARY FRAMEWORK

5.1 As discussed in section 3, the Budget Review report to Executive in July highlighted that savings of approaching £1m need to be secured for 2016/17, with this figure increasing to around £1.1m by 2020/21.

5.2 In coming to this requirement, some savings have already been factored into the projections.

- Office move £300k (2018/19)
- Revised staff terms and conditions)£100k (2018/19)
- Reductions in discretionary spend £415k (2016/17 and 2017/18).

If these savings are not made, the level of further savings needed to be secured will increase if services are not to be impacted.

5.3 As discussed in the Budget Review report there is still significant uncertainty over the Council's future financial support. The two main risks are:-

5.3.1 Revenue Support Grant (RSG). The projections do factor in assumed significant reductions in future years. However, the current Government has not formally given any indication of the size and timing of further reductions.

5.3.2 Business Rates Retention. There continue to be risks attached to business rates, especially with the significant number appeals still awaiting considerations by the Valuation Office Agency.

5.4 Whilst the projections have been prudently prepared, it is quite possible that the current savings requirement may increase in the future as more information becomes available.

5.5 The projects discussed within this report, assuming they make the savings estimated, and all other things being equal, the Council should be able to continue to balance its Budget in future years. This is shown within Appendix I.

6 RISKS

6.1 There is a risk that the proposed amendments to the SCS and FFF programme do not address the needs of our local communities. It will be important for Service Heads to measure what is being achieved to determine whether specific actions are "making a difference".

6.2 There is a risk that the financial position of the Council deteriorates either due to the non-delivery of the change programme and/ or a worse than expected Spending Review settlement in November of this year. Officers will need to monitor and review the position on an ongoing basis bringing any significant variations to Members' attention at the earliest opportunity particularly in light of the Chancellor's statement that he was asking Government Departments to model savings of 40% over the life of the Parliament.

7 ALTERNATIVE OPTIONS CONSIDERED

7.1 Executive members have asked officers to develop a programme of work that details their priorities. The table at 3.3 is thought to describe this and so no alternative options were considered.

7.2 The Council's FFF change programme has been running since 2010 and has proven to be successful in meeting the financial challenge whilst continuing to invest in services and staff. The updated programme could contain initiatives very different from those proposed; however, it is thought that the programme best reflect the Executive's priorities.