EAST SUSSEX FIRE AND RESCUE SERVICE

Meeting	Fire Authority
Date	2 September 2021
Title of Report	2022/23 to 2026/27 Strategic Service Planning and Medium Term Financial Plan
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Background Papers

Revenue and Capital Budget 2021/22 and Capital Programme 2021/22 to 2025/26 Monitoring at Month 4 (end July).

Bank Of England Quarterly Monetary Policy Report August 2021.

Fire Authority Service Planning processes for 2021/22 and beyond – Revenue Budget 2021/22 and Capital Asset Strategy 2021/22 to 2025/26

Appendices

1. Refreshed Medium Term Financial Plan 2022/23 to 2026/27

2. LGA / NFCC CSR Submission 2022

Implications

CORPORATE RISK		**LEGAL**	
ENVIRONMENTAL		**POLICY**	✓
FINANCIAL	✓	**POLITICAL**	✓
HEALTH & SAFETY		**OTHER (please specify)**	
HUMAN RESOURCES		**CORE BRIEF**	

PURPOSE OF REPORT

To roll forward the Fire Authority's medium term service planning strategy and medium term financial plan for 2022/23 to 2026/27.

EXECUTIVE SUMMARY

Whilst the main purpose of this report is to set the financial context for the service planning process, through an update of the Medium Term Finance Plan (MTFP), the fundamental aim of the process is to determine how best to deliver the Authority's Purpose and Commitments, the IRMP and the targets and priorities that underpin them, within the context of the current estimate of available financial resources for the period 2022/23 to 2026/27.

Closer alignment of business and resource (including finance) planning is necessary to ensure that the Authority can continue to deliver its corporate strategy and Integrated Risk Management Plan (IRMP) outcomes more effectively. This will continue for the 2022/23 budget setting process.

There remains uncertainty about the future of local government funding and this has only been increased as a result of the current Covid-19 pandemic. The Government has commenced a comprehensive spending review (CSR) covering a 3 year period from 2022/23. The fire sector has made a strong submission to CSR but the timetable is unclear and it is unlikely that the outcome will be known until later in the autumn with the provisional settlement expected in late December. It remains possible that the Government will opt for a further one year settlement, given the broader economic uncertainty, which will not aid planning over the medium term. Nationally the sector remains reliant on significant one off funding investment in protection services, and locally forecasting of future income from Council Tax and Business Rates remains limited. This makes planning for the 2022/23 budget and beyond extremely difficult.

In this uncertain context this report seeks to identify the potential scale of the financial challenge facing the Authority over the next five years, but particularly for 2022/23. It builds on the existing Medium Term Finance Plan (MTFP) mid-case scenario (flat cash) and updates the assumptions that underpin it where that is possible, highlighting emerging pressures and potential risks. The revised MTFP indicates a revised funding gap of up to £2.536m in 2022/23, reducing to £1.140m in 2026/27. It is assumed that the pensions grant will be rolled into base budget 2022/23 onwards, which provides certainty of funding but also subjects it to potential fluctuations in future settlements. A new best case scenario based on a cash real (i.e. cash plus inflation) is also modelled.

The Authority will need to continue to drive, through the service and budget planning process, identification of pressures and new bids for funding, and cashable efficiencies sufficient to provide the Authority with options to balance the budget in 2022/23 and beyond. However it is clear that if the scale of the potential financial challenge facing the Authority is as set out in this paper that efficiencies alone will not be sufficient to bridge the funding gap. The Authority will therefore need to consider a wider range of options beyond its Efficiency Strategy. This will enable the Authority, as far as is possible, to make informed choices about both balancing its budget over the medium term and delivering efficient and effective services once the position for 2022/23 and beyond is clearer.

RECOMMENDATION The Fire Authority is asked to:

(i) Approve the updated Medium Term Financial Plan for 2022/23 to 2026/27 and its underlying assumptions;
(ii) Consider and comment upon the risks set out in section 4.6;
(iii) Consider whether the provision for future pay increases should be reduced to the sector average of 2% pa;
(iv) Consider their policy preferences for Council Tax, should the Government set the referendum threshold higher than the 2% currently included in the MTFP

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1. MEDIUM TERM SERVICE PLANNING

1.1 Whilst the main purpose of this report is to set the financial context for the service planning process, through an update of the MTFP, the fundamental aim of the process is to determine how best to deliver the Authority's Purpose "to make our communities safer", it's supporting commitments, it's Integrated Risk Management Plan (IRMP) 2020-25, and the targets and priorities that underpin them, within the available resources. This process has become even more important in recent years in the light of the sustained reduction in public sector funding and the consequent need to deliver significant savings over the period of the MTFP.

1.2 Members and officers will need to ensure that the service planning process, which is driven through our purpose and commitments and the IRMP, delivers sustainability in the medium term for both the revenue and capital budgets, and the Service as a whole. Officers continue to develop the service planning process to ensure that strategic planning and resource allocation processes (including financial planning/budget setting) are better aligned, ensuring that agreed policy priorities and key outcomes are properly resourced and can be delivered more efficiently and effectively. As a result of this any proposed new pressures, savings and investments will be included in future reports for Member approval.

2. ECONOMIC OUTLOOK

2.1 There remains uncertainty for UK and global economies due to the global Covid-19 pandemic, however they show signs of recovery as Covid-related restrictions were lifted in several countries. UK GDP is expected to have risen by 5% in quarter 2 2021 and is expected to rise during the remainder of the year, with the pace slowing over this time. The Bank of England's Monetary Policy Committee (MPC) forecasts that GDP will reach its 2019 quarter 4 pre-Covid level by 2021 quarter 4. The unemployment rate has fallen over the past two quarters, but remains about 1% higher than pre-Covid levels.

2.2 CPI inflation rose to 2.5% in June, above the Monetary Policy Committee's (MPC) 2% target, and is expected to rise to 4% in the near term due to expected increases in relation to energy and other goods prices. This is expected to be temporary and is expected to fall back to closer to the 2% target during 2022. Interest rates are not expected to rise from their historic low of 0.1% for the next year.

3. **NATIONAL FUNDING ISSUES**

3.1 There is considerable uncertainty in the national funding arena. Following the end of the previous four year funding settlement in 2019/20 the Government has approved two one year settlements (for 2020/21 and 2021/22). Whilst these have been more positive for the fire sector nationally than had been anticipated with real terms increases in the settlement funding assessment (SFA) they have not enabled effective planning over the medium term. Despite the range of measures put in place by Government through 2020/21 and 2021/22 to address the impact of the Covid-19 pandemic on both local authority costs and income, this continues to be a significant issue, albeit the impact on fire authorities has been less significant.

3.2 CSR 2021 is expected to set UK Government departments' revenue budgets for three years, although it is possible that a further one year settlement may be agreed instead. The exact timetable for the review is not clear, but, the joint NFCC/LGA submission 2022 for fire has already been submitted and is included at Appendix 2 (to follow). The Provisional Local Government Finance Settlement is not expected to be announced until late December when budget plans are close to being finalised ready for Authority consideration in mid-February.

3.3 The funding envelope and other parameters for CSR have yet to be announced but it is likely that the Government will seek to continue to deliver on the commitments to level up and invest in the priorities of the British people. Given the split of fire funding across both the Home Office (HO) and Ministry of Housing, Communities and Local Government (MHCLG), the sector is competing against other policy commitments e.g. for policing and the Border Force and local government more generally.

3.4 The uncertainty continues with both the Formula Funding review (FFR) and Business Rates Reform (BRR) which will not now be implemented with effect from 2022/23.

3.5 The fire fighters pension grant was provided in 2019/20 in order to mitigate most of the increase in the employer contribution rate following the most recent valuation process. This one off grant was extended into 2020/21 and 2021/22 and will be considered as part of CSR. At CSR 20, Government committed that the grant will roll into the base budget from 2022/23 at current funding levels, which is welcome as it provides more certainty but it does subject the funding to annual settlement fluctuations. The current MTFP assumes that funding continues at the current level of £1.7m.

3.6 Whilst there is uncertainty on the cost and funding of the remedy resulting from the Sargeant case (initial estimate of historic liability approx. £5m, ongoing costs £0.9m p.a.), it is expected that this will be picked up in the next quadrennial review and impact on employer contributions from 2024/25. The Authority will be directly liable for the cost of any Injury to Feelings claims and any additional administrative costs of implementing the remedy. A Pension Administration grant of £47,000 is being held in reserves to fund expected pension administration software upgrade costs resulting from remedy implementation. No financial impact is reflected in the MTFP and the sector position is that any additional cost should be funded by Government.

3.7 A new Covid-19 grant was awarded to alleviate an increase in expenditure and shortfall in income relating to Covid-19. £137,000 (tranche 1) was allocated towards the end of 2019/20 plus allocations for 2020/21 totalled £865,023.69 (£633,000 (tranche 2), £129,447 (formulae bid) and £102,438.69 (second round formulae share). The unspent amount of £170,000 was brought forward into 2021/22 via reserve and expected to be used in full during the current financial year. It appears unlikely at this stage that any further grant to support the ongoing costs of the pandemic will be forthcoming.

3.8 In 2020/21, the Government launched a compensation scheme which provided for net budgeted fees and charges income loss due to the impact of Covid19 in accordance with the scheme principles, which generated £50,000. Details of the 2021/22 scheme were recently released along with an invitation to claim for fees and charges income loss April to July 2021. The Scheme is not being extended beyond July 2021.

3.9 Surge Protection Grant Funding of £510,000 was awarded specifically to deal with inspections for high rise buildings and other high risk buildings by December 2021 and investment on broader protection capacity post Grenfell. A further allocation of £421,366 has recently been awarded. In addition, one-year Grenfell Infrastructure Fund with an allocation of £67,944 is to help support FRS to put in place a local Grenfell Inquiry recommendations co-ordination function which will help co-ordinate local activity and support the national work led by the NFCC; drive progress on local improvements and ensure funding for smoke-hoods and other technical investments. CSR will consider whether any of this funding will be baselined to sustain improvements in Business Fire Safety and reflect the impact of changes in legislation, on the fire service, post Grenfell Tower. This is a key element of the LGA / NFCC CSR submission.

3.10 There has been no provision for capital or transformation grants within the fire sector since 2015/16. The fire sector CSR submission highlights the need for new capital funding to replace end of life national resilience assets for which there is no local provision. The cost of replacing those assets current allocated to this Authority is estimated at approximately £1m.

4. **LOCAL POSITION**

4.1 **Medium Term Finance Plan**

4.1.1 The MTFP was previously updated when the 2021/22 Budget was set in February 2021. At that stage there was forecast to be a balanced budget for 2021/22 but given the level of uncertainty about future funding we modelled a range of scenarios which highlighted the potential need to make further savings of between £0.326m (mid-case scenario) and £2.528m (worst case scenario) by 2025/26. The refreshed MTFP (mid-case scenario) is included at Appendix 1 which indicates a revised funding gap of up to £2.536m in 2022/23, reducing to £1.140m in 2026/27.

4.1.2 In preparing the refreshed MTFP, the main issues considered are set out in the following paragraphs, but we have adopted the mid-case scenario, which was based on a cash flat / no increase in Settlement Funding Assessment (SFA) (a combination of funding from business rates and core grant i.e. RSG). Two further options are considered: best case scenario where SFA increases by 2% (CPI) and worst case scenario where SFA reduces by 5% year on year. The Authority must also consider the risks set out in paragraph 4.6 below when considering its financial planning.

4.2 **Expenditure**

4.2.1 The level of pay award for the Fire & Rescue Service will be determined nationally through the National Joint Council (NJC). The refreshed MTFP reflects the full year effect of the 1.5% pay award agreed for Grey book staff for 2021/22 where no provision for a pay award was made in the budget (in line with the Government's national pay freeze) and 2.5% provision for pay inflation for all staff for 2022/23 and thereafter for the duration of the MTFP. The FBU has agreed a 1.5% increase for its members in 2021/22 and the outcome of negotiations for staff on green book terms and conditions is awaited. For each 0.5% increase in pay-award, this is equivalent to £141,000 on the employee base 2021/22. The sector's CSR submission makes it clear that any pay award above 2% is unaffordable, however to be prudent and recognising there is pressure in the system the provision continues at 2.5% and should the pay award 2022/23 be lower could release around £141,000 towards other priorities. Analysis carried out by the NFCC Finance Co-ordination Committee (NFCC FCC) indicates that the average provision for future pay awards across the sector is 2% which is in line with the level the LGA / NFCC CSR submission deems affordable. It is recommended that the Authority revises its assumption for future pay awards down to 2% in line with that sector norm on the grounds of affordability. This would reduce forecast pay costs in the MTFP by £2.214m by 2026/27.

4.2.2 The MTFP currently provides 1.00% price inflation on goods and services in 2021/22 and at 2.00% per annum 2022/23 onwards in line with the Bank of England's target. Each 1% increase in prices is equivalent to £121,000. We will work with the procurement team to assess the level of indexation on our major contracts and understand whether a more sophisticated approach to making provision for inflation can be developed.

4.2.3 To provide Senior Leadership Team (SLT) with flexibility in managing budget in-year there is a Corporate Contingency included in the Revenue Budget and MTFP. This is set at £341,000 for 2021/22, falling to £310,800 in 2022/23 before rising slowly to £336,400 by 2025/26.

4.3 Emerging Pressures

4.3.1 The following emerging pressures have been identified through the financial position reported to Policy & Resources Panel in July and subsequent budget monitoring.

Covid 19: The immediate financial impacts of Covid 19 in 2019/20 and 2020/21 have been funded (whole or in-part) by grant from Government. These included increased expenditure on PPE, staffing, shortfalls in fees and charges income and delays to capital projects resulting in significant revision to the Capital Programme. Covid 19 will continue to impact on the Authority's finances during 2021/22 where impact on both the Business Rate and Council Tax Collection Funds will be felt. There is currently £170,000 Covid grant held in reserve which is anticipated to be utilised in the current year.

There is also a risk the amounts payable under the Government's compensation schemes for council tax and business rates income are lower than budgeted figures and will need to be revised as a result, both for current and future years. The compensation scheme guidance came out late and not all information from the Districts and Boroughs was received in time for budget setting. Grant letters received recently from CLG indicate significant reductions in compensation for council tax reduction (£85,000 compared to £147,000 budgeted in total over 3 years) and compensation for business rates (£4,000 compared to £93,000 budgeted in total over 3 years). We are investigating the causes for these reductions with the Districts and Boroughs and will advise SLT / Members in due course. Latest information indicates that CLG may revise the basis of the grant calculation and updated information from billing authorities has been provided to CLG via NNDR3 returns. The revised MTFP assumes a reduction of £51,000 in 2022/23 and 2023/24.

Pension Costs: There is continued uncertainty on the cost and funding of the remedy from the Sargeant case (initial estimate of historic liability approx. £5m, ongoing costs £0.9m p.a.). For the latter it is now understood that the cost will impact through the next quadrennial scheme valuation i.e. from 2024/25 onwards. The Authority will be directly liable for the cost of any Injury to Feelings claims and any additional administrative costs of implementing the remedy. A Pension Administration grant of £47,000 is being held in reserves to fund expected pension administration software upgrade costs resulting from remedy implementation.

Pay Award 2021/22:

There was no allowance made for an increase in all pay conditions in the budget following the Government's call for a pay freeze which causes an estimated ongoing funding issue of around £440,000 (full year) in 2021/22 plus inflation which is included in the MTFP refresh. Negotiations have concluded between unions and pay awarding bodies resulting in a 1.5% pay award for staff on gold and grey book terms and conditions. The outcome of pay-award negotiations for green book staff is awaited, with the latest employer offer being 1.75%.

Options for funding the immediate 2021/22 estimated pressures of £356,000 (adjusted for grey book pay award effective from 1 July) in the current financial year included identifying additional savings to those already included in the 2021/22 budget of £504,000 or use of general fund reserves. To avoid Increasing savings targets at short notice and causing adverse impacts on service delivery, the use of general fund balances was approved by P&R Panel on 22 July. However, the general fund will need replenishing to return to the policy minimum of 5% of the net revenue budget which is built into the MTFP refresh at £442,000.

IRMP: as the IRMP implementation plans are developed, it is possible that additional revenue and capital implications may be identified, and changes to implementation timelines may also affect delivery of savings. The IRMP financials, approved by CFA in September 2020, has been refreshed taking into account factors such as items not previously in scope but now required and differences in timing in implementation.

P21 / Joint Fire Control (JFC): as P21 progresses toward its planned go live at the end of September 2021, the revenue costs of the resulting JFC are being reviewed and updated. This includes proposals for increased staffing as a result of the Grenfell Tower Action Plan. There is a risk that this will result in both an in year and ongoing revenue cost pressure as reflected in the MTFP refresh.

Resources Management Team: An ongoing pressure of £60,000 per annum is anticipated due to the Control Room Resources Management Team receiving 10% allowances from 1 October, which were not originally budgeted for and are now reflected in the MTFP refresh.

Savings Programme 2021/22: Current projections show we have delivered or are on course to deliver £479,000 (95%) of the savings programme £504,000 whilst the reduction in admin cost saving of £25,000 (5%) linked to the introduction of the HSV part of the CRM project will not be delivered in the current financial year.

CRM: Total saving built into the February 2021 CFA CRM paper is £155,000 per annum, of which £50,000 for Safer Communities admin saving is already built into the current MTFP. The net additional saving of £105,000 saving is reflected in the MTFP refresh 2022/23 onwards along with a pressure on ITG revenue cost of £15,000.

Ill Health Retirements: The 2021/22 pressure of £47,000 is due to previously approved ill health retirements (IHRs) where costs are spread over three financial years. These are not controllable costs and it is likely the pressure will increase during the year once IHRs in the pipeline are confirmed, therefore, a £120,000 pressure is reflected in the MTFP refresh for three years.

4.4 Capital Strategy

4.4.1 The Authority has been conducting a number of reviews that will impact on its future investment plans and potentially its future revenue costs:

- **IT Strategy Refresh 2020-25** – this was approved last year and is being reviewed and updated at a project level, taking into account actual costs and timing of delivery. Further work is required to determine what projects within the Strategy could be treated as capital.

- **Fleet & Equipment** – this strategy is under review and the review of special appliances is expected to be reported to SLT in the autumn. The intention in to contain any changes within the existing scheme budgets. Proposals to reclassify some spend on equipment carried by appliances from revenue to capital may be considered.

- **Estates -** The impact of Brexit, Covid-19 and the Suez blockage are holding up construction projects across the nation. The dwindling supplies along with increased costs and long delivery times being experienced by the construction industry could impact on the Capital Programme. The Estates team are working to understand the potential financial impact and it is likely that this will become evident as we move planned projects through procurement to delivery during the year. This work is being conducted alongside a review of the cost and delivery profile of the Estates Strategy along with the associated savings targets already built into the MTFP. This analysis will be fed into the budget setting process through the autumn.

The Authority will need consider the funding implications, including capital investment requirements that result in its budget proposals and MTFP. For every £1m borrowed, this will cost an estimated £60,000 - £70,000 per annum in interest payments and Minimum Revenue Provision (MRP) to repay the loan upon maturity. In addition the Capital Asset Strategy will be extended from five years to ten to give better visibility of future capital investment needs and to understand what a baseline of capital investment will cost once the current additional investment in estate and fleet is complete. Officers will explore the potential to fund this baseline investment through revenue contributions with new borrowing only utilised for new projects.

4.5 Reserves and Balances

4.5.1 Reserves and balances are held in accordance with the Authority's agreed policy. The planned use of reserves and balances will be reviewed as part of the service planning process in light of the savings requirement, any changes to the Capital Strategy, the outcome of grant funding bids to Government, and, the need to fund the costs of up-front investment to support the delivery of savings proposals.

4.5.2 The level of reserves held is expected to reduce significantly over the next five years and by 2026/27 is forecast to comprise primarily an unallocated risk provision of £2.125m (General Balance 85.4% of total reserves and 5.2% of the total General Fund Revenue Budget in 2026/27) and no resources to fund the Capital Strategy without recourse to borrowing. The cost of returning General

Balances to their 5% policy minimum level is built into the MTFP refresh at £442,000.

4.6 Risks

4.6.1 There are a range of risks that have the potential to impact on the Authority's ability to deliver its budget plans over the medium term to which Members must give consideration, some of which are discussed in more detail elsewhere in this paper, primarily:

- Our ability to identify and deliver the savings required to balance the budget over the medium term through the Efficiency Strategy and the Integrated Risk Management Plan (IRMP);

- The impact of additional budget pressures for example those arising from new Response and Resilience and Prevention and Protection Strategies and any proposals for investment to support the achievement of carbon reduction;

- The significant costs likely to arise from the remedy to the successful legal challenge to the transitional arrangements for the FPS 2015 (increased employers contributions, compensation and administrative costs) and a number of other pensions cases, and a lack of clarity on whether the Government will fund those costs;

- Increased reliance on borrowing to fund future capital investment from 2022/23 onwards and the resulting impact on the revenue budget;

- The impact on Covid 19 on income from Council Tax and Business Rates and potential ongoing cost pressures e.g. additional cleaning, loss of Treasury Management income, loss on commercial training income;

- Lack of clarity about the financial impact of the national Emergency Service's Mobile Communication Programme;

- The potential for a national pay award to exceed the provision in the budget;

- Uncertainty about future governance and funding including:
    - the three year Comprehensive Spending Review
    - the impact of the Fairer Funding Review
    - proposals for review of business rates

- The potential impact of the UK's departure from the EU on the cost of goods and services;

- The impact of local growth and additional housing, road and commercial risks;

- Any further development of local devolution proposals;

- Any further proposals by the Government or the Police & Crime Commissioner locally for changes to fire service governance in Sussex;

- Outcomes for the fire service nationally and locally from the HMICFRS inspection process;

- The impact of the Building and Fire Safety Bills on fire service responsibilities and the resultant costs of compliance / delivery.

4.7 **Financing**

Council Tax Increase

4.7.1 It is assumed the Authority will increase council tax by 1.99% for the duration of the MTFP following the council tax referendum threshold set at 2% for fire authorities in 2021/22. Through CSR the sector is lobbying for precept flexibility of £5 in order to improve local flexibility and financial sustainability without the need for a costly referendum.

4.7.2 If the Government was to allow an increase in the council tax referendum threshold to 3%, this would generate estimated additional CT precept of £286,108 whilst a change to £5 per council tax payer would result in an additional £893,358 in 2022/23. The Additional council tax flexibility will be a key ask within the LGA / NFCC CSR submission. The Authority is ask to consider its policy preferences for Council Tax, should the Government set the referendum threshold higher than the 2% currently included in the MTFP.

Council Tax Base

4.7.3 Although there is currently limited information coming from the billing authorities, given the uncertainty and impact of Covid-19 on the economy, the tax base is expected to gradually increase following the reduction in the current financial year. In the MTFP, we have assumed that growth in Council Tax base will continue at the current assumption of 0.5% in 2022/23, 0.75% in 2023/24, followed by a 1% year on year growth 2024/25 onwards meaning the estimated council tax income remain unchanged. There is currently no commitment from Government to compensate local authorities for the impact of Covid-19 on the council tax base beyond 2021/22.

4.7.4 Billing authorities are required to review their Local Council Tax Reduction Schemes (LCTRS) annually and consult on any proposed changes. A detailed report on proposed changes by Lewes DC and Rother DC is included elsewhere on this agenda and the forecast cost of £51,000 built into the MTFP. Details of any proposed changes by Brighton and Hove CC are awaited. No changes are proposed by Eastbourne BC, Hastings BC and Wealden DC.

Council Tax and Business Rates Collection Funds

4.7.5 It is highly likely the collection funds for council tax and business rates will be affected by Covid-19 and will impact on 2022/23 allocations. At this early stage we do not have sufficient information to assess collection rates for 2021/22 and the impact on the collection fund for 2022/23 and have therefore assumed there will be neither a surplus nor deficit in addition to the impact of accounting for the 2020/21 deficit through 2021/22 to 2023/24. We will be working with the billing authorities and other major preceptors in East Sussex to improve financial monitoring and forecasting.

Business Rates

4.7.6 Business rates income is based on the mid case scenario where total Settlement Funding Assessment is at the same rate / cash flat year on year and this continues for the life of the MTFP.

4.8 Savings Plans and Efficiency Strategy

4.8.1 Between 2010/11 and 2020/21 the Authority has made savings of approximately £10.5m. In 2017 the Authority determined to take a more holistic and strategic approach to delivering efficiencies that moved beyond previous approaches that had focussed on delivering savings necessary to balance the revenue budget. Officers remain committed to delivering on this approach, but is clear that the enabling activities, for example CRM, Firewatch and Business Intelligence projects, as well as partnership projects such as ITF have required increased investment and longer delivery times to put in place. Alongside delivery activity SLT and project boards continue work to identify and deliver improved return on investment and increased cashable efficiencies.

The current budget and MTFP commits the Authority to review the following areas for their potential to deliver efficiencies for 2022/23 onwards:

- Community Safety – alternative delivery models
- Primary Authority – further development of income opportunities
- IT Outsource contract review / option to extend
- CRM / Firewatch / Process Digitisation
- Review of Senior / Middle Management
- Administration Review
- Fleet & Equipment Strategy
- ITF Shared Transport function
- P21 / Tripartite Mobilising Service– operational / joint working efficiencies
- Capital Asset Strategy sustainability

The outcomes from these reviews will be built into budget setting through the autumn.

4.8.2 However it is clear that if the scale of the potential financial challenge facing the Authority is as set out in this paper that efficiencies alone will not be sufficient to bridge the funding gap. The Authority will therefore need to consider a wider range of options beyond its Efficiency Strategy and this will include:

- Opportunities to reduce costs by 5 / 10 / 15 % across all services as part of the budget setting process

- Reducing its ambition to invest through its Estates, IT and Fleet & Equipment Strategies

- The use of reserves to smooth the savings requirements in the early years of the MTFP (albeit the Authority has fully committed its Earmarked Reserves and its General Balances are currently at / below its agreed Policy minimum)

- The need to revisit its IRMP for 2020-25

4.8.3 Proposals will be developed through the budget setting and service planning process and reviewed for impact and deliverability through Star Chambers before presentation to SLT in November. These proposals will be reported to the Authority in January and February 2022 for review and approval.