

additional papers 1



Overview and Scrutiny Committee

Mon 12 Sep
2016
7.00 pm

Committee Room 2
Town Hall
Redditch



www.redditchbc.gov.uk

**If you have any queries on this Agenda please contact
Jess Bayley and Amanda Scarce
Democratic Services Officers**

**Town Hall, Walter Stranz Square, Redditch, B98 8AH
Tel: (01527) 64252 Ext: 3268 / 881443
e.mail: jess.bayley@bromsgroveandredditch.gov.uk /
a.scarce@bromsgroveandredditch.gov.uk**



Overview and Scrutiny

Committee

Monday, 12th September, 2016

7.00 pm

Committee Room 2 Town Hall

Agenda

Membership:

Cllrs: Jane Potter (Chair) Andrew Fry
Gay Hopkins (Vice-Chair) Paul Swansborough
Joe Baker Jennifer Wheeler
Tom Baker-Price Nina Wood-Ford
Matthew Dormer

| | |
|---|---|
| <p>4. Efficiency Statement - Pre-Scrutiny (Pages 1 - 8) Jayne Pickering, Executive Director, Finance and Resources</p> | <p>To pre-scrutinise the content of the Efficiency Statement and to determine whether to make any recommendations on this subject for the consideration of the Executive Committee. (Report attached) All Wards</p> |
| <p>6. Executive Committee Minutes and Scrutiny of the Executive Committee's Work Programme (Pages 9 - 12)</p> | <p>To consider the minutes of the latest meeting(s) of the Executive Committee and also to consider whether any items on the Executive Committee's Work Programme are suitable for scrutiny. (Latest edition of the Executive Committee Work Programme attached). (No Specific Ward Relevance)</p> |

REDDITCH BOROUGH COUNCIL**EXECUTIVE COMMITTEE****13TH SEPTEMBER 2016****EFFICIENCY PLAN**

| | |
|----------------------------|----------------------------------|
| Relevant Portfolio Holder | John Fisher |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | Jayne Pickering (Exec Director) |
| Wards Affected | All |
| Ward Councillor Consulted | None specific |

1. SUMMARY OF PROPOSALS

- 1.1 To present the Councils Efficiency Plan 2016/17 – 2019/20 for Executive consideration and to enable Members to decide on the recommendation to Council to request a 4 year financial settlement from Central Government.

2. RECOMMENDATIONS

- 2.1 **That Executive recommend to Council that the Efficiency Plan 2016/17-2019/20 as detailed at Appendix 1 is approved for submission to Central Government to enable a 4 year financial settlement to be secured.**

3. KEY ISSUES**Financial Implications**

- 3.1 This document responds to the invitation/offer from the Secretary of State of 10 March 2016 to secure a minimum level of funding for the 4 years commencing April 2016. The aim of the Government is for the deal to increase local authority certainty and be a step towards strengthening financial management and work collaboratively with partners and reform the way local services are provided. The settlement would cover the 4 years from 2016/17-2019/20 and would provide certainty in relation to the Revenue Support Grant . The response from the Government following the New Homes Bonus consultation has not been received and therefore certainty of the NHB funding will not form part of the 4 year settlement.
- 3.2 There is no guarantee that the settlement offered will not change over the next 4 years. The inclusion of a “negative grant” system to repay Government was a fundamental change to funding that was not envisaged in the last 6 months and has resulted in additional financial pressures to the Council. Notwithstanding this uncertainty, officers are recommending the request for a 4 year funding arrangement to enable some levels of stability in the financial projections and it is anticipated that cuts to funding may be more severe should the Council not support this Government offer..

EXECUTIVE COMMITTEE**13TH SEPTEMBER 2016**

- 3.3 There has been no specific guidance from Government in relation to the format or detail that needs to be included in the Efficiency Plan however it is anticipated that the basis of the statements will be the Councils Medium Term Financial Plan together and the Council Plan which together will inform the Government how the Council aims to deliver on its strategic purposes to the community within the reducing financial funding it will receive.
- 3.4 It is therefore important that the Efficiency Plan is not purely about the funding and that there are key actions included in the Plan / Council Plan that will be delivered by the available funding. The expectation is that a high level plan is presented that will be informed by further detailed savings plans as they are developed.
- 3.5 Officers have considered the funding that is to be received over the next 2 years and the 'Negative Grant' of £330k that will be payable back to Government in 2019/20. The narrative of the plan states that the Council does not accept this methodology for repayment to Government and there is an expectation that this will be offset by the financial benefits associated with the localisation of Business Rates. The following key themes have been identified to enable officers to manage the shortfalls in funding:
- Identifying opportunities to increase income and growth
 - Identify further efficiency by continuing to drive waste out of services and reduce cost
 - Continue to redesign services to provide quality support and service to the customer whilst releasing savings
 - Assessing the value for money of service provided and demonstrating where resources can be realigned note 1
 - Designing services across public and voluntary sector organisations to secure better outcomes and reduce overall spend
 - Identify alternative models of delivery in the provision of services and to consider the most appropriate provider
 - Resetting future budget to meet prior years expenditure and income
- 3.6 The Efficiency Plan as presented at Appendix 1 is based on assessments made by Heads of Services as to the levels of additional income and reductions in costs that can be made over the next 3 years to meet the shortfalls in funding. More detailed delivery plans are currently being prepared as part of the review of the Medium Term Financial Plan and these will be brought to members later in the year.

EXECUTIVE COMMITTEE**13TH SEPTEMBER 2016**

Legal Implications

- 3.7 Whilst there is no legislative framework that requires Councils to prepare an Efficiency Plan it is clear that for Councils to secure the most effective financial position over the next 4 years that the production of a plan for this purpose is advisable.

Service / Operational Implications

- 3.8 Officers will develop detailed plans to enable the delivery of the Council Plan within the funding levels available.

4. RISK MANAGEMENT

- 4.1 The risks associated with the delivery of the Efficiency Plan will be addressed by officers and mitigation plans put in place to assure confidence in managing the financial pressures.

Appendices

Appendix 1 – Efficiency Plan

AUTHOR OF REPORT

Name: Jayne Pickering – Exec Director Finance and Resources
E Mail: j.pickering@bromsgroveandredditch.gov.uk
Tel: 01527-881400

REDDITCH BOROUGH COUNCIL EFFICIENCY PLAN

2016/17-2019/20

This plan is based on the current Medium Term Financial Plan which was approved in February 2016. This Plan aims to provide relevant information to secure a 4 year deal on Government funding to ensure that the Council has some certainty of the pressures that it faces over the next 4 years.

The Council faces a significant challenge in addressing its forecasted budget deficit over the next 4 years in an environment where there is significant uncertainty and increasing levels of risk. Over the last 5 years the Council has embarked on an innovative approach to service redesign and releasing savings based on systems thinking methodology. In adopting the principles of this approach the Council will consider the following themes when addressing how to manage the shortfalls in funding :

- Identifying opportunities to increase income and growth
- Identify further efficiency by continuing to drive waste out of services and reduce cost
- Continue to redesign services to provide quality support and service to the customer whilst releasing savings
- Assessing the value for money of service provided and demonstrating where resources can be realigned ^{note 1}
- Identify alternative models of delivery in the provision of services and to consider the most appropriate provider
- Designing services across public and voluntary sector organisations to secure better outcomes and reduce overall spend

In delivering the savings to ensure Redditch can meet its financial pressures over the next 4/5 years the Council will focus on its Strategic Purposes to maximise the value of the funding it retains to support its customers and communities. These are :

- Help me live my life independently
- Help me find somewhere to live in my locality
- Provide good things to see, do and visit
- Help me be financially independent
- Keep my place safe and looking good
- Help me run a successful business

Note 1 – Value for money is an assessment of the customer value of the service not purely the cost v demand

Background

For Redditch the financial settlement gives a much lower than anticipated level of revenue support grant from the Government with a potential unexpected repayment to Government in 2019/20 of £330k. Consultation has also started on planned changes to New Homes Bonus, which will see a reduction in the amount we receive towards the end of the five year period. The Council currently receives £1.1m of this grant however, depending on the proposed revised scheme may see a reduction in over £500k of funding by 2019/20.

Government grant funding will be some £6m per year less in real terms by the end of this plan than it was in 2010/11. This equates to losing funding for just over half of the Council's net budget.

The Council does not accept a methodology of 'negative grant' which would be payable by 2019/20. Whilst the payment is included in the projected financial gap faced by the Council there is an expectation that this will be offset by changes to Business Rate Legislation that will be released later this year.

The Council has a proven track record in delivering cost and efficiency savings. Since 2010/11 the Council has made savings from sharing services with other Councils of £5.6m and generated other savings of approximately £4m from additional income and increasing efficiencies. With the continued cuts to our funding we will have to find more innovative ways to meet the on-going financial pressures that the Council faces and we are working with partners to achieve savings across the public purse that will ensure that valuable front line services continue to be delivered to our communities. The financial funding available will be aligned to our purposes as detailed in this document to ensure we meet customer and community need.

The Efficiency Statement should be considered alongside the Council Plan 2016-2020 as this demonstrates how the Council will utilise its resources to deliver the strategic purposes and outcomes to the community.

The monitoring of the plan will be undertaken through the Councils Management Team, Executive and Audit & Governance Committee. Associated risks of delivery of savings and outcomes will be reported through the performance and financial reporting mechanisms to ensure early action can be undertaken to address any concerns.

EFFICIENCY STATEMENT – REDDITCH BOROUGH COUNCIL

| Area | Cost reduction / Additional income growth/ Alternative Service Delivery | 2016/17 £'000 | 2017/18 £'000 | 2018/19 £,000 | 2019/20 £'000 |
|--|--|------------------|------------------|------------------|------------------|
| EFFICIENCIES TO BE ACHIEVED | | 1,398 | 2,284 | 3,202 | 3,532 |
| ALREADY APPROVED | | | | | |
| Across all services | Efficiencies realised from : <ul style="list-style-type: none"> - Removing waste processes from service following redesign - Deleting vacant posts - Reset budget to previous year - Service review to realign management and staffing structures | 396 | 396 | 396 | 396 |
| Environment Services | Remodelling provision to enable services to be delivered across a locality / place | 139 | 139 | 139 | 139 |
| Environment Services | Additional growth and Income from the service | 177 | 177 | 177 | 177 |
| Balances | Use of balances following review of requirement | 479 | 0 | 0 | 0 |
| Reserves | Use of reserves following review of requirement | 207 | 0 | 0 | 0 |
| TOTAL EFFICIENCIES ALREADY APPROVED 2016/17-2019/20 | | 1,398 | 712 | 712 | 712 |
| | | | | | |
| PROPOSED EFFICIENCIES 2017/18 -2019/20 | | | | | |
| Cross Organisational | Increases in income and growth (including additional income realised from an improvement in compliance | | 300 | 450 | 650 |

| | | | | | |
|--|---|--------------|--------------|--------------|--------------|
| | for Council Tax/ Business Rates) | | | | |
| Customer Access & Financial Support | Improved efficiencies by moving to a new system for Revenues and Benefits | | 80 | 90 | 90 |
| Cross Organisational | Organisational Management Review | | 135 | 300 | 400 |
| Cross Organisational | Alternative Models of Service Delivery - Reviewing the provision of services with the aim to redesign and work with other partners to deliver savings | | 250 | 735 | 880 |
| Cross Organisational | Reduce waste in system / improve efficiencies | | 225 | 250 | 300 |
| Cross Organisational | Reset budget from baseline of 2015/16 | | 200 | 250 | 250 |
| Additional Business Rate Growth | | | 50 | 100 | 250 |
| Other Funding | Balances/ Unidentified efficiencies/Further reviews of reserves | | 332 | 315 | |
| TOTAL EFFICIENCIES PROPOSED 2017/18-2019/20 | | | 1,572 | 2,490 | 2,820 |
| TOTAL EFFICIENCIES | | 1,398 | 2,284 | 3,202 | 3,532 |

EXECUTIVE COMMITTEE LEADER'S WORK PROGRAMME

9 October 2016 to 31 January 2017

(published as at 9th September 2016)



This Work Programme gives details of items on which key decisions are likely to be taken by the Borough Council's Executive Committee, or full Council, in the coming four months. "Key Decisions" are ones which are likely to:

- (i) result in the Council incurring expenditure, foregoing income or the making of savings in excess of £50,000 or which are otherwise significant having regard to the Council's budget for the service or function to which the decision relates; or
- (ii) be significant in terms of its effect on communities living or working in the area comprising two or more wards in the Borough;
- (iii) involve any proposal to cease to provide a Council service (other than a temporary cessation of service of not more than 6 months).

If you wish to make representations on the proposed decision you are encouraged to get in touch with the relevant report author as soon as possible before the proposed date of the decision. Contact details are provided. Alternatively you may write to the Head of Legal, Equalities and Democratic Services, The Town Hall, Walter Stranz Square, Redditch, B98 8AH or e-mail: democratic@bromsgroveandredditch.gov.uk

The Executive Committee's meetings are normally held at 7pm on Tuesday evenings at the Town Hall. They are open to the public, except when confidential information is being discussed. If you wish to attend for a particular matter, it is advisable to check with the Democratic Services Team on (01527) 64252, ext: 3257 to make sure it is going ahead as planned. If you have any other queries, Democratic Services Officers will be happy to advise you. The full Council meets in accordance the Council's Calendar of Meetings. Meetings commence at 7.00pm.

EXECUTIVE COMMITTEE MEMBERSHIP

Councillor Bill Hartnett, Portfolio Holder for Community Leadership and Partnership
Councillor Greg Chance, Portfolio Holder for Planning, regeneration, Economic Development and Transport
Councillor John Fisher, Portfolio Holder for Corporate Management
Councillor Yvonne Smith, Portfolio holder for Community Safety and Regulatory Services
Councillor Mark Shurmer, Portfolio Holder for Housing
Councillor Debbie Taylor, Portfolio Holder for the Local Environment
Councillor Pat Witherspoon, Portfolio Holder for Leisure and Tourism
Councillor Juliet Brunner
Councillor Brandon Clayton

| Decision including Whether it is a key Decision | Decision Taker Date of Decision | Details of Exempt information (if any) | Documents submitted to Decision Maker / Background Papers List | Contact for Comments |
|--|---|--|---|--|
| Medium Term Financial Plan - budget assumptions Key: No | Executive 1 Nov 2016 Council 21 Nov 2016 | | Report of the Executive Director Finance and Resources | Jayne Pickering, Executive Director, Finance and Resources Tel: 01527 881207 |
| Fees and Charges 2017-18 Key: No | Executive 1 Nov 2016 Council 21 Nov 2016 | | Report of the Executive Director Finance and Resources | Jayne Pickering, Executive Director, Finance and Resources Tel: 01527 881207 |
| Economic Priorities for Redditch - Annual Report Key: No | Executive 1 Nov 2016 | | Report of the Head of Economic Development and Regeneration, North Worcestershire | Dean Piper Tel: 01562 732192 |
| Council Plan (including leisure intervention update) Key: No | Executive 1 Nov 2016 Council 21 Nov 2016 | | Report of the Head of Transformation and Organisational Development | Deb Poole, Head of Business Transformation and Organisational Development Tel: 01527 881256 |
| Council Tax Support Scheme - Final Scheme Key: No | Executive 1 Nov 2016 Council 21 Nov 2016 | | Report of the Head of Customer Access and Financial Support | Amanda Singleton, Head of Customer Access and Financial Support Tel: 01527 64252 |

| Decision including Whether it is a key Decision | Decision Taker Date of Decision | Details of Exempt information (if any) | Documents submitted to Decision Maker / Background Papers List | Contact for Comments |
|---|--|--|---|--|
| Engagement Strategy Key: No | Executive 1 Nov 2016 | | Report of the Head of Transformation and Organisational Development | Deb Poole, Head of Business Transformation and Organisational Development Tel: 01527 881256 |
| Corporate Performance Strategy Key: No | Executive 1 Nov 2016 | | Report of the Head of Transformation and Organisational Development | Deb Poole, Head of Business Transformation and Organisational Development Tel: 01527 881256 |
| Planning Business case Key: No | Executive 1 Nov 2016 Council 21 Nov 2016 | | Report of the Head of Planning and Regeneration | Ruth Bamford, Head of Planning and Regeneration Tel: 01527 64252 ext 3219 |
| Staff Survey - preliminary actions Key: No | Executive 13 Dec 2016 | | Report of the Head of Transformation and Organisational Development | Deb Poole, Head of Business Transformation and Organisational Development Tel: 01527 881256 |
| Housing Business Case Key: No | Executive 13 Dec 2016 Council 30 Jan 2017 | | Report of the Head of Housing Services | Liz Tompkin, Head of Housing Tel: 01527 64252 ext 3304 |
| Finance Monitoring April - September 2016 (Quarter 2) Key: No | Executive 13 Dec 2016 | | Report of the Executive Director Finance and Resources | Sam Morgan, Financial Services Manager Tel: 01527 64252 ext 3790 |

| Decision including Whether it is a key Decision | Decision Taker Date of Decision | Details of Exempt information (if any) | Documents submitted to Decision Maker / Background Papers List | Contact for Comments |
|--|---|--|--|---|
| Health Commission - report of findings Key: No | Executive Not before 13th Dec 2016 | | Report of the Leader of the Council | Kevin Dicks, Chief Executive Tel: 01527 64252 ext 3250 |
| Revised Debt Recovery Policy Key: Yes | Executive 13 Dec 2016 | | Report of the Head of Customer Access and Financial Support | Amanda Singleton, Head of Customer Access and Financial Support Tel: 01527 64252 |
| Borough of Redditch Local Plan no. 4 Key: No | Executive 17 Jan 2017 Council Not before 30th Jan 2017 | | Report of the Head of Planning and Regeneration | Mike Dunphy |