
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..

- 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 Council's 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.

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

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