



## Efficiency Plan 2016/17 – 2019/20

### Purpose

Harborough District Council's Efficiency Plan for the four years 2016/17 to 2019/20 is supported by two corporate documents: The [Corporate Plan and Corporate Delivery Plan](#) that sets out the Council's purpose, ambition and priorities for the short and medium term; and the [Medium Term Financial Strategy \(MTFS\)](#), which outlines a planned and deliverable approach to meeting the challenges presented by reductions in funding, a desire to become more self financing and ensuring the provision of services that people value but are affordable.

The Efficiency Plan summarises the key points from these documents in order to secure the four year 'minimum' funding allocations signposted in the 2016/17 settlement announcement.

### Background

The Council has four corporate priorities

- Working with Communities to develop places in which to live and be happy.
- Enable public services which are effective and deliver value for money.
- Encourage a vibrant and sustainable business community intent on prosperity, employment and learning opportunities
- Support the vulnerable in the communities where they live

The publication of provisional four year funding allocations as part of the 2016/17 settlement has assisted the Council in adopting a strategic approach to the planning and delivery of budget efficiencies over this period. This builds on a track record of delivering efficiencies and Income Generation over the next few years as evidenced in the table below

	<b>Reduction in Government Funding £000s</b>	<b>Savings £000s</b>	<b>Income Generation £000s</b>	<b>Sub Total £000s</b>
2014/15	438	(107)	(55)	(162)
2015/16	452	(338)	(203)	(541)
2016/17	568	(710)	(460)	(1,170)
<b>Total</b>	<b>1,458</b>	<b>(1,155)</b>	<b>(718)</b>	<b>(1,873)</b>

The Budget requirement of the Council in 2016/17 is £11.877 million.

The Council has maximised receipts since 2013 from New Homes Bonus and Business Rates with the best performance in Leicestershire in both funding streams. This has allowed investment in priorities and improved outcomes for residents and businesses, evidenced by improved performance over the period.

### **Approach to Efficiency Planning**

In delivering the Council's Efficiency Plan over the period the Council will apply four overriding principles (replicated from Page 17 of the Council's Medium Term Financial Strategy).

**Innovation:** The Council will adopt an 'Adaptive Innovation' approach to service change, creatively redefining the Council's role and being able to actively affect the operating environment, often working in close partnership with other Councils.

**Effective Leadership:** Ensuring that the Council is well managed and led, shaping a positive future and ensuring there are no major shocks.

**Engagement:** Engaging with Communities and Businesses and staff to help shape and deliver the future shape of local services.

**Maximising Income:** The Council will apply its operating model with the intention to maximise income from external sources and through charging for all discretionary services where appropriate.

The Council has over many years demonstrated its ability to make difficult financial decisions and change the way that we deliver services and achieve outcomes. It is essential that we make every pound work harder for our community.

### **Achieving Value for Money**

Achieving value for money through effective business planning is an essential part of this. Across the Council and in partnerships we aspire for improved Value for Money as set out below

#### *Objectives*

To achieve value for money we have set these objectives:

- Value for money principles are integrated within management, planning and review processes
- Recognised good practice is adopted
- Value for money studies on areas of activity identified are completed
- Activities benchmarked against other councils, the private sector and other exemplar organisations
- All opportunities maximised to enhance the economy, efficiency and effectiveness of activities
- A culture of continuous improvement
- Value for Money is demonstrated in all activities
- All staff recognise their continuing obligation to seek Value for Money for the council and community as part of their routine activities

## *Outcomes*

If we achieve the above we will have:

- A council focused on improving outcomes for people
- Services that are fit for purpose
- Services that are planned, managed and delivered with due regard to the risks involved
- Services that are delivered economically, that is, from a supplier (internal or external) whose prices are competitive for the quality of service delivered
- Services that are delivered efficiently, that is, through streamlined processes that link seamlessly internally and with partner organisations wherever possible
- Services that meet the needs of the local people at the right time and are affordable to the tax payer

## *Evidencing*

Value for Money will be achieved in different ways, for example:

- Developing strategies to prevent or reduce the need for more intensive or costly services and to manage demand
- Ensuring the most effective services are commissioned
- Reducing inputs (for example, people, assets, energy and materials) for the same outputs
- Getting greater outputs with improved quality (for example, extra service or productivity) for the same inputs and
- Getting proportionally more outputs or improved quality in return for an increase in resources
- Working in Partnership where improved outcomes can be realised, income maximised or resilience strengthened
- Value for Money risks and opportunities are identified using the risk and opportunities framework
- Value for Money is embedded in our strategies and policies.

## **Delivering the Efficiency Plan**

Over the period of the Efficiency Plan the Council will continue to implement its previously agreed operating model that provides a strategic focus to future efficiencies. This sets down the following objectives

The Council will:

- work with and through others for the benefit of the community.
- engage effectively with the communities it serves.
- ensure that elected members are accountable for the Council's services through effective governance processes.
- retain responsibility for providing public services without necessarily delivering those services itself.
- ensure that the services delivered to the community provide value for money, consistently high quality and are subject to democratic scrutiny.
- seek to reduce the dependency of the community on the Council and manage demand for services.
- generate income where possible to ensure the sustainability of its services.

- make its priority the provision of services that help those who are unable to help themselves.
- expect those who are able to do so to pay for services that the Council provides.

Specific Areas of Focus over the period of the Efficiency Plan are:

#### *Delivering the Property Strategy*

The Council will actively progress the delivery of its property strategy over the MTFS period. This ensures that existing assets continue to be utilised efficiently, surplus assets are disposed of appropriately and opportunities for investment in new assets are backed up by robust business plans. The Corporate Asset Strategy concentrates on strategic property decisions based on suitability, sustainability and conditions. It is proposed that receipts from property disposals are used to support a capital investment strategy alongside strategic regeneration initiatives to promote economic growth and business rate yield. The Council will continue to actively seek external funding for delivery of its priorities.

#### *Undertake Outcome Reviews*

The Council will commence significant outcome reviews into:

- (a) The commissioning and provision of leisure services to support the Council's Health and Wellbeing Strategy.
- (b) Economic Development securing inward investment and promoting a vibrant SME economy within Harborough District.
- (c) Alternative Services Delivery Models for both front and back office services.

#### *Promote Sustainable Housing and Economic Growth through the Local Plan*

The Council will continue to promote Harborough as a great place to live and invest in. Housing completions in excess of 500 per year will secure New Homes Bonus, whilst the implementation of an economic development will promote Harborough District as a centre for major inward investment and for business growth and by implication significantly increase the rateable base from the £36 million with the consequential retention of business rate growth. The efficiency plan assumes a 5% p.a. increase in business rate retention over a 2016/17 baseline of £1.2 million

#### *Income Maximisation*

The Council already secures £4.775 million of fees and charges from its' activities. Through applying the operating model the Council will aim to charge full costs of service to those who are able to do so to pay for services that the Council provides and to seek new opportunities. The Council will explore options to share services with others utilising capacity within services. The Council will investigate the income opportunities and costs linked to setting up a trading company. The Council will use non recurrent 'windfall savings' to support the delivery of the Efficiency Plan and to reduce in-year efficiency savings.

#### *Partnerships*

The Council already works in partnership for the provision of Revenues and Benefits and Legal Services. During the period of the Efficiency Plan the Council expects to grow the Revenues and Benefits Partnership alongside the three founding Councils in Leicestershire to take advantage of good performance and customer outcomes currently being provided and the challenges and synergies that will be required linked to the roll-out of Universal Credit.

## Use of Reserves.

The delivery of the Efficiency Plan will be supported by utilisation of reserves over the MTFS period with the aspiration that at the end of the MTFS period recurrent use of General Fund Balances is removed. The Council will use earmarked reserves to support the management of change process. The Council will use previous year underspends to support the efficiency plan over a rolling three year period to mitigate against efficiencies that otherwise would have a detrimental impact on service levels to residents or businesses.

## **Financial Strategy**

The published Medium Term Financial Strategy agreed February 2016 [\[Insert hyperlink\]](#) has been refreshed for this efficiency plan. The baseline budget requirement for 2016/17 was £11.877 million.

<b>Funding Pressure</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Reduction in Revenue Support Grant	485	777	777
Reduction in New Homes Bonus	0	524	600
Employee Pressures (pay/pensions etc.)	230	420	610
Inflation	100	200	300
Remove Recurrent Use of Reserves	680	680	680
Removal of Dry Recyclate Recycling Credit	0	300	300
Additional Debt Charges	0	7	7
<b>Sub Total Funding Pressures</b>	<b>1,495</b>	<b>2,908</b>	<b>3,274</b>
<b>Funding Options</b>			
Use of Business Rates Retention Reserve	776	836	899
Utilisation of Revenue Underspends	737	611	0
Utilisation of 2017/18 and 2018/19 net contribution to reserves	0	739	688
Council Tax Increase (% rise and tax base changes)	205	410	615
Reduction in Debt Charges through utilisation of Capital Receipts Reserve	166	0	0
Use of New Homes Bonus Reserve	0	400	400
<b>Efficiency Plan Target</b>	<b>350</b>	<b>600</b>	<b>672</b>
Utilisation of General Fund Reserve			
Contribution to Reserves	(739)	(688)	0
<b>Sub Total Funding Options</b>	<b>1,495</b>	<b>2,908</b>	<b>3,274</b>
<b>Surplus/Shortfall</b>	<b>0</b>	<b>0</b>	<b>0</b>

The above strategy is predicated on the indicative four year funding totals included in the 2016/17 funding announcement.

The Council expects to be able to identify efficiencies in excess of £350K in 2017/18, i.e. more than 50% towards the £672K required from 2019/20 to deliver a balanced budget during this period.

Through the approaches and actions detailed within this efficiency plan the Council is **confident** that with the certainty of 4 year funding announcements it will deliver an efficiency

plan that retains a focus on outcomes for citizens through maximising income and delivering efficiencies and delivers a sustainable budget through-out the period

The Council would like to accept the four year funding settlement, but on the basis that if any additional funding is made available to local authorities through national control totals that a share of this will be allocated to those authorities that accept the four year funding offer. In seeking the four year funding security the Council assumes that the new burdens doctrine will continue to operate throughout the period.