

## **BROMSGROVE DISTRICT 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 Councils 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 alternative models of delivery in the provision of services and to consider the most appropriate provider
- 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 <sup>note 1</sup>
- Designing services across public and voluntary sector organisations to secure better outcomes and reduce overall spend

In delivering the savings to ensure Bromsgrove 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

## **Background**

For Bromsgrove 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 £750k. 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 £1.7m of this grant and allocates £100k for community funding to support projects in those areas affected by housing growth.

Government grant funding will be some £5m 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 under 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 £4.3m and generated other savings of approximately £2.648m 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, Cabinet 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 – BROMSGROVE DISTRICT COUNCIL**

<b>Area</b>	<b>Cost reduction / Additional income growth/ Alternative Service Delivery</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £,000</b>	<b>2019/20 £'000</b>
<b>ALREADY APPROVED</b>					
Across all services	Efficiencies realised from : <ul style="list-style-type: none"> <li>- Removing waste processes from service following redesign</li> <li>- Deleting vacant posts</li> <li>- Reset budget to previous year</li> <li>- Service review to realign management and staffing structures</li> </ul>	307	307	307	307
Members Expenses	Reduction of number of Councillor and therefore reduced associated member allowance and other expense costs	44	44	44	44
Development Control	Increased trend in planning application income across the District	50	50	50	50
Balances	Use of balances following review of requirement	0	500	500	-
Reserves	Use of reserves following review of requirement	849	539	222	222
<b>TOTAL ALREADY APPROVED</b>		<b>1,250</b>	<b>1,440</b>	<b>1,123</b>	<b>623</b>
<b>SAVINGS / ADDITIONAL INCOME PROPOSED</b>					
Leisure Services	Additional income from the redeveloped Leisure Centre		106	422	422
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		140	245	345
Customer Access & Financial Support	Improved efficiencies by moving to a new system for Revenues and Benefits		80	90	90
Cross Organisational	Increases in income and growth ( including compliance		75	200	300

	in relation to Council Tax)				
Cross Organisational	Organisational Management Review		35	235	285
Cross Organisational	Reduce waste in system		90	100	150
Cross Organisational	Reset budget from baseline of 2015/16		50	100	100
Additional Business Rate Growth			50	100	150
Balances	Additional use of balances			229	919
<b>TOTAL NEW SAVINGS PROPOSED</b>			<b>628</b>	<b>1,721</b>	<b>2,761</b>
<b>TOTAL ALL SAVINGS</b>		<b>1,250</b>	<b>2,066</b>	<b>2,844</b>	<b>3,384</b>
<b>Budget Pressure to be funded</b>		<b>1,250</b>	<b>2,066</b>	<b>2,844</b>	<b>3,384</b>
<b>Shortfall / (surplus)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>