

BASSETLAW DISTRICT COUNCIL

EFFICIENCY STRATEGY – EFFECTIVE 1ST APRIL 2016

1. Purpose

- 1.1 This Strategy has been developed so that the Council can qualify for a 4-year funding settlement from Government and also potentially benefit from some flexibility in the use of capital receipts generated in the three years starting April 2016.
- 1.2 We believe a 4-year settlement is essential to the medium term financial stability of the Council although the 4-year settlement only relates to Revenue Support Grant which is a decreasing proportion of total Council funding.
- 1.3 It will, however, help us to plan our future budget strategy and what services will be delivered – this is essential for both the community and council employees, particularly in a period when resources are severely constrained by the protracted cuts to grant.
- 1.4 This Efficiency Strategy is a summary of appropriate sections of the Council’s General Fund Revenue Budget 2016/17 to 2018/19 which identifies how efficiencies and savings will be delivered, and was approved by Council on 7th March 2016.
- 1.5 In line with available Government guidance, this Strategy includes three themes:
 - Our approach to delivering efficiencies to make £3.7m of savings over the 4 years;
 - How new flexibilities in the use of capital receipts will be used;
 - Prudential indicators for 2016-2019 to ensure borrowing by the Council is affordable in the medium to long term.
- 1.6 This Strategy will be reviewed annually and updated with the progress made delivering each of these themes.

2. Delivering Efficiencies

- 2.1 Bassetlaw District Council has a proven track record of delivering savings and efficiencies. Since 2007/08 the Council has delivered £9.8m savings including:
 - In recent years the Council has significantly reduced its senior management structure
 - Transformed a number of service areas in response to a full organisational review and individual service reviews.
 - Cut back-office costs as a result of numerous efficiency measures.
 - Consolidation of office space.

- Focus on economic growth resulting in growth in business rates and council tax base.
- 2.2 Moving forward the Council has to deliver an estimated further £3.7m of savings over the next 4 years.
- 2.3 As set out in the Medium Term Financial Plan 2016/17 to 2020/21, each directorate is developing plans which will change the way services are provided and deliver budget reductions.
- 2.4 The aim of the MTFP, from the outset of central government's austerity programme, has been to protect front line services that resident's value, and has therefore concentrated on the delivery of efficiency savings.
- 2.5 This Efficiency Strategy has evolved over time, but moving forward it will concentrate on the following three themes:

Theme 1: Income Generation

- (i) Maximising Income: Gathering intelligence on growth in business rates and council tax income through new businesses and increased house building. Greater focus on 'lost' income through proactive debt recovery action of amounts owed to the Council, including housing benefit overpayments. Full review of payment methods with a focus on upfront payments wherever possible.
- (ii) Fees & Charges Review: Examination of all discretionary fees and charges to determine an approach of a commercial charge, full cost recovery, or subsidised charge. This review will include the Council's concessions and discounts policy, impacts of inflation, and any intelligence gathered through benchmarking of services.
- (iii) Innovation/New Ideas: The adoption of an innovative approach that will enable the Council to consider robust business cases for new ideas to generate additional income for the Council. This may be achieved by any number of alternative service delivery models.

Theme 2: Contract Management

- (iv) Zero-Based Budgeting for Third Party Payments: Full review of all expenditure within the third party payments accounting structure to determine which contracts exist, and compare these to the contracts register.
- (v) Contracts Register: This will provide the intelligence of contracts that are in place, the renewal and/or extension dates, and the value of each contract.

- (vi) Effective Procurement: This will then enable a complete review of the Council's approach to procurement and joint procurement arrangements with neighbouring authorities. It will provide a better understanding of contract specifications and the contract monitoring arrangements that should be in place to effectively manage those contracts.

Theme 3: Efficiency & Effectiveness

- (vii) Service Efficiencies: Reductions in service budgets where the quality and/or outcomes from the service remain the same or even improve.
- (viii) New Ways of Working: Fundamental reviews of services including structures, methods of service delivery and process re-engineering/systems thinking models.
- (ix) Budget & Service Reductions: Reductions or cessation of service provision in response to budget reductions targets.
- (x) Demand Management: A review that looks at how and why customers access a service and focusses on the high volume demand areas to look for improvements to the system and processes. It will look at the customer journey through the Council by assessing the communication channels that requests come into the Council e.g. by telephone, email, letter, face-to-face and streamlining the process to avoid 'failure' demand (demand created by the customer as a result of a failing to access a service/transaction at the first attempt).
- (xi) Asset Utilisation & Rationalisation: A land and property review of all assets held by the Council for operational and investment purposes, assessing the rates of return and investment requirements for backlog maintenance and repairs. This process to include all ICT systems and the Council's aims for channel shift to 'digital by default' systems and services.

3. Capital Receipt Flexibility

3.1 As part of the local government settlement for 2016/17, Government announced greater flexibility for Council's in how they make use of capital receipts – the money received when an asset such as a building is sold. Councils currently are only allowed to spend such money on further capital projects, however the Government has announced that Councils are to have greater flexibility as to how they spend this money for the years 2016/17 to 2018/19.

3.2 In 2016/17 it is not proposed to use this flexibility.

4. Prudential Indicators

- 4.1 The Treasury Management Policy and Strategy 2016/17 to 2018/19 sets out the Council's Prudential Indicators for this period.
- 4.2 These Indicators are designed to ensure that the Council's capital borrowing is affordable and does not place undue burden on the Council's revenue budget or Council tax payers (i.e. the cost of servicing the interest paid on capital borrowing). This report, alongside the General Fund Revenue Budget 2016/17 to 2018/19, forms part of the overall financial planning strategy which was approved at full Council on 7th March 2016.
- 4.3 The whole suite of reports that encompass the Council's budget for 2016/17 to 2018/19 (General Fund Revenue Budget; General Fund Capital Programme; Treasury Management Policy and Strategy; Capital Investment Strategy; Property Asset Management Plan) were also presented to the Audit & Risk Scrutiny Committee in line with recommended best practice.

5. Monitoring this Strategy

- 5.1 This Efficiency Strategy will be monitored throughout the financial year alongside our financial reporting arrangements. The Strategy may need to be updated and replaced as proposals are developed and expenditure incurred.