



Efficiency Plan

2016/17 to 2019/20

1. Purpose

- 1.1 This document summarises the Council's performance in delivering efficiency savings over the course of the previous parliament and our approach for the forthcoming period up to 2020.

2. Background

- 2.1 Since the banking crises in 2008 and the subsequent recession, there have been unprecedented reductions to public spending. Local authorities have seen a significant reduction in the funding levels they receive from central government, with District Councils seeing more significant reductions due to the nature of the services which they deliver.
- 2.2 At East Staffordshire Borough Council, on a like for like basis, we have seen a £4.3m or 52% reduction in our annual formula grant for the period 2010/11 to 2015/16. This equates to a cumulative loss of grant income of £13.2m.
- 2.3 In addition to the above financial pressures, the council has also faced a reduction in other income streams such as investment returns reducing to less than 1% from 5% in 2008 (£1m pa loss of income), as well as the level of income generated from the car parks within our town centres.
- 2.4 We have also seen the introduction of the local council tax support scheme and a scheme which allows some of the business rates to be retained locally. Whilst this presents opportunities, it has also transferred a number of risks and financial volatility from central to local government.
- 2.5 Within this context, the financial environment for local authorities has been very challenging and this is set to continue throughout the current parliament. This document looks back at our approach to managing this challenge and our strategy going forward.

3. What we have achieved (2010 to 2015)

- 3.1 The Council has a strong reputation for excellent financial management. During this period we have not only set a balanced budget which recognises the Council's objectives and prioritises protection for frontline services, we have also been able to reduce our share of the council tax and maintain a healthy and appropriate level of reserves.
- 3.2 Year on year ongoing savings or additional income have been identified as part of our rolling financial planning process. For this period these have averaged £1.6m per annum and can be broken down into the following key themes:

Streamlined Senior Management Structure

Office Accomodation Review

Numerous Internal Shared Services

Middle Management Re-structure

Additional homes, delivering New Homes Bonus

Theme Based Teams

A challenging approach to Procurement

4. Our Strategy Going Forward (2016 -2020)

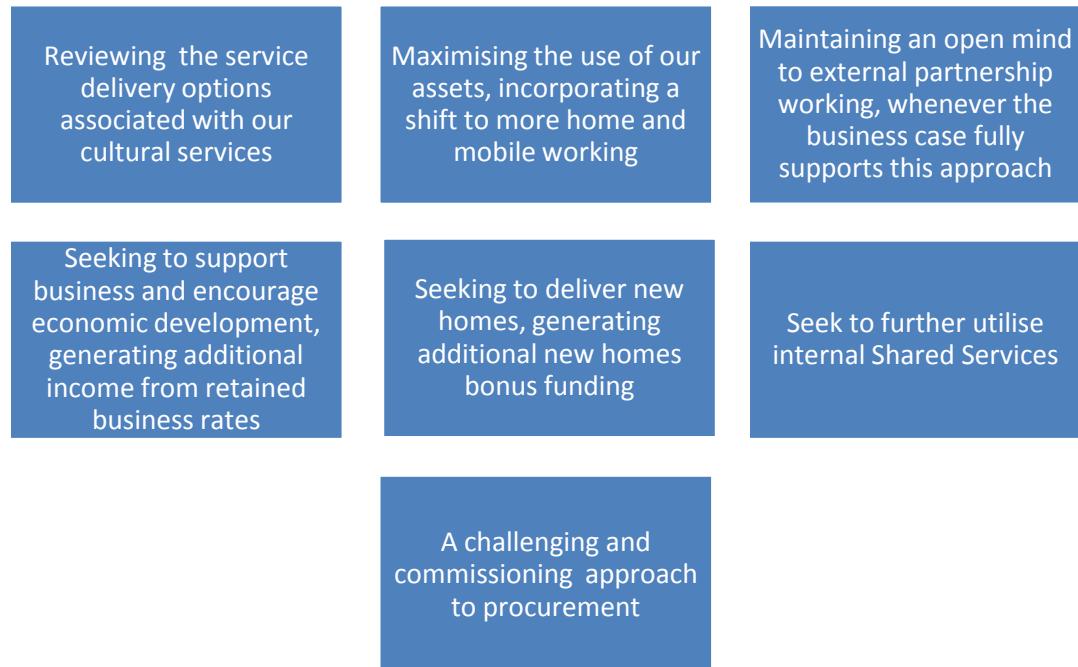
- 4.1 The Council set a Medium Term Financial Strategy for the period 2016/17 to 2019/20 in February 2016. This demonstrates that the budget is balanced and the Council is financially sustainable during this period. However, this does take into account the use of some one-off funding held within reserves, which means there is a need to find ongoing savings in the medium to long term.
- 4.2 In December 2015 the Secretary of State made an offer of a four year settlement to local authorities. This sets out the core funding from central government for this period, covering the following:

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Revenue Support Grant	1,508	813	383	-
Transitional Grant	15	15	-	-

This includes a commitment to not alter business rates tariffs and top ups for reasons related to the relative needs of local authorities. Whilst noting that the final year may be subject to the implementation of 100% business rates retention.

Authorities have been invited to accept this offer. We believe that this is a positive step forward and allows local authorities a degree of certainty over future funding levels, enabling more effective medium term financial planning.

- 4.3 As highlighted above, the Council has successfully delivered savings during the course of the previous Parliament and has a strong financial position. As such, this successful formula will continue for the forthcoming period and this can be broken down into the following key strands:



5. Summary

- 5.1 Our approach to the unprecedented reductions to local authority funding has minimised the impact on our local community and residents. This has been achieved through the prioritisation of protection to frontline services, but also the overall reduction in our share of council tax. We believe that going forward the proposals within this strategy will not only minimise the impact of further funding reductions on local communities and residents, but will also ensure that the Council maintains a strong financial position.

6. Appendices

- 6.1 Appendix A - Extracts from Medium Term Financial Strategy 2016/17 to 2019/20.

Appendix A: **Extracts From Medium Term Financial Strategy 2016/17 – 2019/20**

The table below is extracted from the current approved Medium Term Financial Strategy and demonstrates a need to find ongoing savings for the period 2017/18 to 2019/20 of £0.284m rising to £1.643m. These sums have been temporarily met by drawing down the use of one-off reserves.

Table 6 : Budget Summary	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000
Service Budgets	11,872	12,001	12,299	12,544
Corporate/Contingencies Budgets				
New Homes Bonus Grant	(1,275)	(1,261)	(829)	(829)
From New Homes Bonus Reserve	-	(284)	(1,313)	(1,643)
Other Corporate Items	642	69	91	118
Total Revenue Budget	11,239	10,525	10,248	10,190
Central Government Grant (RSG)	(1,508)	(813)	(383)	-
Government - Transitional Grant	(15)	(15)	-	-
Retained Business Rates	(3,200)	(3,225)	(3,334)	(3,417)
Council Tax Surplus	(188)	(85)	(85)	(85)
Net Revenue Budget	6,328	6,387	6,446	6,688
Special Expenses	(446)	(446)	(446)	(446)
Amount to be raised by Council Tax	5,882	5,941	6,000	6,242

Appendix A:

Extracts From Medium Term Financial Strategy 2016/17 – 2019/20

This section has been extracted from the current approved Medium Term Financial Strategy and sets out the savings identified and delivered for the 2016/17 fiscal period:

Table 8: Savings 2016/17 onwards		£'000
Items above £100k		
Grants to Voluntary Organisations		366
Disabled Facility Grant funding – additional external funding		264
Items £50k to £99k		
Middle Manager Re-structure (Housing/Enforcement)		80
Purchase of Play Area Equipment		70
Environmental Health/Enforcement Staffing Re-structure		67
Items £20k to £49k		
Procurement - Insurance Contract		49
Car Allowances - re-alignment with current expenditure levels		41
Training Budget		40
Increased Planning Income		40
Facilities, Functions and Health and Safety Staffing Re-structure		31
Neighbourhood Working – Staff Secondment (one-off)		31
Cultural Services Staffing Re-structure		28
External Audit Fees		27
Disabled Facility Grant Agency Fee		25
Horticultural Centre - Seeds, Plants, Exhibitions and Events		23
Housing Benefits Staffing - Fraud Transfer to DWP		22
Environment - staffing savings arising from turnover		22
Environment Service: Reduction in fuel costs		20
Items £10k to £19k		
Grounds Maintenance contract inflation lower than budgeted		19
Active East Staffs - Various small savings		17
Elections Staffing - Apprentice appointment (One-off)		15
Chief Officer newly appointed lower on the scale than budgeted		14
Land charges - additional demand/income receipts		13
Recycling costs reduced due to latest tonnage estimates		13
Pension Payments - pensioners now deceased		12
Building Consultancy – Staffing re-configuration		12
Total		1,361