

## **Braintree District Council**

### **Efficiency Plan 2016/17 to 2019/20**

Our Efficiency Plan 2016/17 to 2019/20 has been developed so that the Council can qualify for the four year funding settlement from Government for the period 2016/17 to 2019/20.

The four-year settlement is essential to the medium-term financial planning of the Council although it only relates to the Revenue Support Grant which is a decreasing proportion of total council funding. It has, however, provided a helpful and improved basis to the Medium-Term Financial Strategy (MTFS) agreed by Council in February 2016. <https://www.braintree.gov.uk/meetings/meeting/824/cabinet>

### **Strategic Context**

Our Budget Strategy is to:

- Deliver a balanced budget – 4 year period
- Use New Homes Bonus for investment
- Reduce costs and increase income
- Support the Corporate Strategy
- Maintain our good services
- Minimise impact on customers
- Manage our risks

### **Our Approach**

We are pro-active in reducing our costs and generating income through innovative investments. This allows us to continue to make plans that not only deliver value for money but also deliver better outcomes for the District.

We have a proven track record in managing the finances and responding to the financial pressures in local government:

- Reducing costs and generating income have delivered budget savings of £10million between 2010/11 and 2015/16
- Our workforce of 423 full-time equivalents, at March 2016, has reduced by 65 or 13% since March 2010
- During the five years, 2011/12 to 2015/16, council tax has been frozen for three years and reduced by 1% in each of the other two years
- New Homes Bonus – £9.36million or 95.4% of the total grant received has been allocated to part fund our District Investment Strategy including

infrastructure projects and provision of affordable homes. The balance has been used to support economic development

The planned savings of £1.13million in 2016/17 are being delivered.

In 2013, we identified that on the trajectory of reducing Government funding the Council would be grant free within 5 or 6 years. A Peer Review was commissioned to help determine the approach the Council needed to adopt to meet this challenge. [https://www.braintree.gov.uk/info/200328/council\\_reports\\_plans\\_and\\_strategies/657/peer\\_challenge](https://www.braintree.gov.uk/info/200328/council_reports_plans_and_strategies/657/peer_challenge)

We have a long standing priority of providing value for money whilst not increasing the rate of Council Tax any more than is necessary for our residents. Corporate Strategy 2016 to 2020: [https://www.braintree.gov.uk/download/downloads/id/5370/corporate\\_strategy\\_2016-2020\\_overview.pdf](https://www.braintree.gov.uk/download/downloads/id/5370/corporate_strategy_2016-2020_overview.pdf)

The approach adopted is to focus activity on three key workstreams designed to complement each other:

1. Economic and Housing growth – The Braintree District is set to grow significantly over the coming decades. The District needs to prepare for growth by ensuring District infrastructure improvements/facilities are not only delivered for existing residents, but are able to provide for the future growth in the District as well. It is also important that the additional council tax revenue generated is used effectively. The economic growth will benefit the local economy and the business rates generated will improve the Council's finances.
2. Investment Strategy – We need to ensure that our assets are being used in a way that gains maximum value for the District and supports delivery of our Corporate Strategy. The Medium Term Financial Strategy and Treasury Management Strategy set out our financial planning over the next four years and are reviewed regularly to respond to changes in external factors and needs of the Council.
3. Better at Business (Commercialisation of services) – The purpose of the programme is to generate income to invest in front line services. We are doing this by raising levels of business awareness and cost management across the organisation and maximising the potential of appropriate services and assets for income generation. We aim to become more commercial as an organisation without compromising our public service values.

We have a pro-active approach to managing financial risk. Funds are set aside in earmarked reserves to meet potential costs, where appropriate. For example, dispute with the contractor over swimming pool repair liability, treasury management – investment return volatility and business rates retention scheme. An unallocated balance is maintained as a contingency against unforeseen events and to meet

short-term or non-recurrent one-off costs including providing seed funding for future savings and efficiencies.

## **Key actions delivered to-date**

### **Economic and Housing Growth**

Infrastructure Investment

- Purchase of land to develop a new car park in Witham

Employment site investment

- Built new business starter units to support new businesses to start and grow

Community Investment

- Investment in leisure facilities

### **Investment Strategy**

Treasury Management

- Investment in pooled funds - £12million achieving 5% return
- Local Authority Mortgage Scheme

Optimising assets

- Purchase of investment property outside of District
- Installed solar panels on council properties

### **Better at Business**

Reviewing Service delivery models

- ICT contract – Castle Point BC, Colchester BC and Rochford DC
- Waste Management

Working with neighbouring authorities and other partners:

- Council tax sharing agreement with Essex CC, Essex Police and Essex Fire Authority
- Payroll/HR system – Colchester BC and Epping Forest DC
- Vehicle maintenance contract – Colchester BC
- Business Rates pool – Essex authorities
- Sharing office accommodation with ECC and Essex Police
- Leisure management contract with Fusion

Improving Business awareness and skills

- Management Development Programme
- Business skills development programme

Generating income

- Commercial audit
- Integrated domestic and commercial waste, In-cab technology and expansion of trade waste service
- Town Hall weddings
- Sponsorship

Contract Management and Procurement

- Review of contract procedure rules – governance arrangements for bidding to supply a service

- Procurement hub led by Braintree, procurement service provided to five Essex councils at nil cost to all
- Review of contracts register

#### Service Efficiency Reviews

- Management review
- Efficiency factor
- Fundamental review of all services over the last four years
- Use of technology to improve our business processes

#### Channel Strategy

- Responsive website and improved access to 24/7 self service
- Channel shift from face to face to web over the last five years
- Reduction in cost of customer service centre

Over the three years, 2014/15 to 2016/17, a total of £2.9million or 67% of the budget savings were identified through our Better at Business approach.

## **Delivering the Plan 2017 to 2020**

Our approach will be to achieve savings and deliver additional income early wherever possible to mitigate against future financial risks. Our plans include:

#### District Investment Strategy:

- Property investment enabling the relocation of a Doctors surgery
- Town centre redevelopment scheme – relocation of Doctors surgery
- Proceeds from sale of former sports centre site have been earmarked for Doctors surgery in Witham
- Business starter units on parcel of redundant council owned land
- North Essex Garden Communities – Colchester BC, Tendring DC, Essex CC. Supported by DCLG.
- Economic growth investment – aim to attract businesses to district. Growth will lead to increased business rates base which will contribute towards the financial resilience and sustainability of the Council.
- Investigate option of establishing a Housing Development Company to deliver homes and provide an income stream.
- New Local Plan to meet the needs of District. Growth will lead to increased council tax base which will contribute towards the financial resilience and sustainability of the Council.

#### Medium Term Financial Strategy

- Borrowing to fund the District Investment Strategy meets the prudential indicators for 2016/17. All investment opportunities require a robust business plan and are assessed using an Investment Appraisal tool and evaluated by a Member led investment board.
- The Council is aware of the direction enabling the flexible use of capital receipts between 2016 and 2019 and will consider the option in future if appropriate. Currently, there are no plans to use this flexibility as we continue to use capital receipts to fund capital projects.
- Unallocated balance available to meet short-term funding shortfall.

## Better at Business

- Building Control shared service
- Continuing to grow market share in income generating services
- Identify opportunities to diversify current income streams and generate new income streams
- Improve business awareness and skills through our performance management framework
- Review our governance arrangements and business planning to improve our commercial focus
- Continue to review the services that we deliver and the way that we deliver them to ensure that they provide best value for money for our residents
- Work in partnership with others to reduce costs of service delivery
- Delivery of the Channel Strategy

With our track record we are confident of addressing the anticipated shortfalls in resources.

## Monitoring this Efficiency Plan

This Efficiency Plan will be published in accordance with the guidance and will be monitored as part of any review and update of the MTFs and our performance management framework.

We will continue to benchmark with other authorities and organisations to identify best practice and use this to continue to improve our approach.

We will also ensure that we regularly monitor customer satisfaction and get specific feedback from our customers to understand the impact of changes and ensure that we are continuing to meet their needs.

*This Efficiency Plan was agreed by the Cabinet on 12<sup>th</sup> September 2016. Authority was delegated to the Cabinet Member for Finance and Performance and the Corporate Director (Finance) to make any final updates to the Efficiency Plan however this was not considered necessary prior to submitting to the Department for Communities and Local Government by the deadline: 5pm on Friday 14<sup>th</sup> October 2016.*