

RUSHMOOR BOROUGH COUNCIL

EFFICIENCY PLAN 2016/17 – 2019/20

Background

In his letter of 10 March 2016, the Secretary of State for Communities and Local Government made an offer to all local authorities to opt into a four-year settlement, which would provide minimum allocations for each year of the Spending Review, covering Revenue Support Grant, Transition Grant and Rural Services Delivery Grant.

The offer was dependent on the production of an efficiency plan, covering the four-year period, being open and transparent about the benefits the plan would bring, and demonstrating how greater certainty can create the necessary conditions for further savings.

Rushmoor Borough Council recognises the advantages of the multi-year settlement offer in that it supports forward planning which allows us to plan for financial sustainability, providing a clear direction of travel for the Council, focusing on important variables and avoiding wasteful changes in direction. This forward planning should facilitate co-ordination and encourage innovation. Given the current scale and pace of change for local government, the need for effective medium-term planning has never been stronger.

Our Approach

The annual review of our Medium-Term Financial Strategy was presented to Council on the 6th October 2016. The strategy sets out a framework to deliver a stable and sustainable financial position over the period 2016/17 – 2019/20, enabling the Council to deliver its strategic objectives. It is a fluid strategy, adapting to local and national conditions, taking account of risks to the Council's financial position and setting out measures to mitigate against those risks in order to protect the financial health of the Council.

The review includes an updated financial forecast for the period, which builds on data and evidence gathered through a number of internal and external sources, such as the latest Budget Monitoring position reported to Cabinet, figures

extracted from the multi-year settlement offer and the latest internal estimates of business rates income (including estimates for the provision for appeals). It also includes identified pressures such as wage and contract inflation, projections of future interest rates and assumptions around pension costs.

The updated forecast shows a funding gap over the medium-term of £3.4million.

The Council plans to close the revenue funding gap by continuing to deliver against its 8 Point Plan for financial sustainability. The plan includes a range of projects that aim to establish new income streams and reduce costs by more efficient service delivery and better use of Council assets.

Key programme areas are as follows:

1. Reviewing the workbook of the Council to identify changing priorities, responding to local demand and our resident's needs. Reviewing how services are delivered and building on our successes working with partners and delivering shared services.
2. Identifying areas to undergo efficiency reviews using system-thinking principles and to deliver transformation by progressing our digital strategy and channel shift work programmes.
3. Generating new income streams for the Council, thereby reducing our reliance on traditional funding mechanisms, and developing new investment opportunities such as commercial and residential property investment – alongside the necessary delivery vehicles such as trading arms or Housing companies.
4. Making better use of our property and assets by (i) reviewing our accommodation to ensure it is fit for purpose, minimises costs and frees up space for generating rental income and/or to provide efficiencies by co-locating with other delivery partners or complementary organisations and by

RUSHMOOR BOROUGH COUNCIL EFFICIENCY PLAN 2016/17 – 2019/20

- (ii) reviewing our asset holdings to reduce costs, free up land for regeneration or housing purposes, capitalise on existing assets and ensure they are producing the maximum return for the Council in terms of social value or financial return.
5. Ensuring our financial strategy is based on sound evidence and links to our Council priorities. The Cabinet recently reviewed their priorities and shared these as part of an all-Member seminar held in September 2016. The revised priorities will form the basis of a new Council Plan (replacing the current Corporate Plan) which will be monitored by Cabinet through regular reporting including the development of accessible 'dashboard' reports for regular review by individual portfolio-holders. In addition, the Council will carry out its annual review of its Treasury Management strategy in February 2017, which is of increasing importance as the Council utilises its remaining capital receipts and moves to becoming a borrowing authority in order to support its ambitious invest-to-save plans and local regeneration measures.
 6. Ensuring that Rushmoor has a workforce that is fit for the future by progressing its organisational development programme, equipping staff with the skills they need to deliver current and future services, who are able to respond to changing methods of service provision and grasp new opportunities. Alongside this, the Council will continue to review its organisational structure, so that form follows function, taking advantage of synergies within service areas, having a clear customer focus for service delivery putting our residents and customers at the heart of everything we do, linking strongly with our digital initiatives and channel shift programme to simplify service delivery.
 7. The Council is currently working towards renewal of its major contracts for Waste Collection, Street Cleansing, Recycling and Grounds Maintenance. Its better procurement programme also includes future provision of its Leisure services as well as an increased focus on procurement across all departments of the Council. New contract standing orders have been approved and a rolling programme of procurement training has been rolled out to all purchasing managers.
 8. The Council will review its taxation policies to ensure they are effective, balancing support to our residents and local businesses against the need to generate income for the provision of services. As part of this strand of the plan, the Council will engage in a new conversation with its local voluntary organisations and community groups, reviewing the way we work together and support each other for the benefit of our Borough.
- It should be noted that this is not a static plan but will continue to adapt and respond to new pressures and incorporate new initiatives over time. The broad themes are however, expected to endure over the period.
- Delivery of the 8 Point Plan is overseen by a Cabinet-appointed, cross-party Budget Strategy Working Group and reported to Directors' Management Board on a regular basis.

Supporting the plan

The Council's plan for financial sustainability is supported by two key revenue reserves as well as the Council's decision to take advantage of the opportunity afforded by the flexible use of Capital Receipts.

At the start of 2016/17, the Council had £3.8million set aside in its Stability and Resilience Reserve to mitigate against short term fluctuations in its income and expenditure. This reserve

RUSHMOOR BOROUGH COUNCIL EFFICIENCY PLAN 2016/17 – 2019/20

has been invaluable in managing the fluctuations caused in particular by the operation of the Business Rates Retention Scheme. It has also been used to cover downturns in income while alternative strategies are put in place. This allows the Council to concentrate on its longer-term sustainability programme, buying time to deliver invest-to-save projects for example, rather than having to react to short-term pressures, which could potentially shift focus away from longer-term goals.

The Service Improvement Fund stood at just under £0.5million at the start of 2016/17, which has been set aside in previous years to support invest-to-save schemes, which produce on-going service efficiencies and/or cost savings.

The Council aims to maintain a minimum level for usable reserves (which includes the General Fund balance in addition to the reserves specified above) of 5% of gross expenditure over the period covered by the efficiency plan.

In addition, the Council has identified surplus assets that have been disposed of during 216/17 in order to provide a capital receipt of approximately £0.5million that can be used under new flexibilities to fund the cost of service improvements. This means that essential projects can be progressed without putting additional pressure on revenue resources.

Our Priorities

Our efficiency plan means that we will be able to deliver our priorities for the benefit of our residents, customers and local communities. This will be achieved by our own efforts and through working effectively with partners.

Rushmoor Borough Council's revised priorities are grouped around four themes as follows:

- 1. Sustaining a thriving economy and boosting local business** – including improving local levels of educational attainment and skills and raising aspirations; regeneration of both Aldershot and Farnborough; bring forward social and private rented housing opportunities; creating the conditions for economic growth; working with delivery partners, other landowners, the Local Enterprise Partnership and other organisations.
- 2. Supporting and empowering our communities and meeting local needs** – including addressing the shortage of homes; improving the health and wellbeing of residents and workers; working in and with our communities to help them become more involved; helping the voluntary sector to become more sustainable; tackling deprivation; improving social cohesion; continuing the transformational work of the supporting families programme.
- 3. Cleaner, greener and more cultural Rushmoor** – including improving civic pride and community involvement; maximising opportunities from the imminent renewal of major contracts for refuse collection, street cleansing, recycling and grounds maintenance and the future provision of our leisure facilities; implementing a parking strategy that balances quality and income while supporting economic growth as well as addressing residents' parking.
- 4. Financially sound and services fit for the future** – including keeping people well informed about our services and what is going on; rigorous delivery of the 8 Point Plan; listening to our residents, customers and business to inform policy decisions; embracing the digital society, improving our on-line offer and using social media effectively; embracing the opportunities from devolution where it enables the delivery of better services and local outcomes.

RUSHMOOR BOROUGH COUNCIL EFFICIENCY PLAN 2016/17 – 2019/20

The Council works with partners at the strategic level through the Rushmoor Strategic Partnership (RSP). The Partnership's priorities are to:

- ❖ Understand mental health problems to enable coordinated support for prevention and recovery
- ❖ Encourage healthy lifestyles
- ❖ Improve secondary educational achievement
- ❖ Understand and respond to skills and employment needs and opportunities
- ❖ Support our residents and businesses to increase resilience and encourage economic growth and prosperity
- ❖ Protect vulnerable people and reduce the level of violent crime, drug and alcohol related offences and anti-social behaviour
- ❖ Address deprivation issues across the borough including specific pockets of deprivation in Aldershot Park, Cherrywood and Wellington



Monitoring the Efficiency Plan

This plan will be published in accordance with the guidance and will be monitored as part of the on-going review and update of the Medium-Term Financial Strategy.

Supporting Documents

The Efficiency Plan is supported by the following documents:

- The Medium-Term Financial Strategy
<http://www.rushmoor.gov.uk/article/>

[9012/Cabinet-meeting---20-September-2016](http://www.rushmoor.gov.uk/article/9012/Cabinet-meeting---20-September-2016)

- Strategy for the flexible use of Capital Receipts 2016/17
<http://www.rushmoor.gov.uk/article/8526/Cabinet-meeting---29-March-2016>
- The Council's Annual Budget report
<http://www.rushmoor.gov.uk/article/8263/Council-meeting---25-February-2016>
- The Annual Treasury Management Strategy
<http://www.rushmoor.gov.uk/article/8263/Council-meeting---25-February-2016>
- Quarterly Revenue and Capital Budget Monitoring Reports
<http://www.rushmoor.gov.uk/article/9011/Cabinet-meeting---23-August-2016>
- Aldershot Prospectus -
<http://www.rushmoor.gov.uk/article/8832/Aldershot-Town-Centre-Prospectus---supplementary-planning-document>
- Farnborough Masterplan -
<http://www.rushmoor.gov.uk/civicquarter>
- Organisational Structure

.....
D E Clifford
Leader of the Council

.....
J A Lloyd
Chief Executive

Date: 14th October 2016