

**Stafford Borough Council**  
**Efficiency Plan 2016-17 to 2019-20**

**1. Introduction**

- 1.1 The Council for a number of years have ensured it sets a balanced budget over the medium term. A balanced budget is not a balancing of income and expenditure but a budget that ensures its expenditure and income delivers the outcomes of the Council as reflected in its Aims and Objectives as set out in its Corporate Plan.
- 1.2 The changing face of Local Government Finance has required the Council to diversify its activities. The Council has positively embraced regeneration and working with partners to facilitate economic and housing growth. Income from Business Rates for the Borough (pre levy) has increased by £3 million since Business Rates Retention was introduced whereas New Homes Bonus will deliver similar additional income (pre the new regime coming into place in 2018-19). These figures however do not reflect the true growth and outcomes for the Borough.
- 1.3 To date the Council has seen the regeneration of Stafford Riverside with the old Riverside Recreation Centre and the former Tesco and multi storey car park being replaced with a £70 million, 18-unit retail development of over 190,000 sq. ft. that complements and strengthen the town centre economy. A new multi storey car park that provides over 1,000 spaces with ground floor retail and leisure units facing the river, with an additional 180 spaces in a sub-basement car park over the river. Business parks in the borough continue to flourish and grow with the creation of a business park for the research and technology sector at Redhill, major extensions are planned for Beacon Business Park, Raleigh Hall and Ladford Fields Business Park. In addition the Council is proud that its Beacon Barracks has been transformed to now be the home of two Signals Regiment with the provision of 350 two- and three-storey dwellings, including ancillary infrastructure, open space and areas of structured landscaping. It is estimated that with the latest developments including the benefits arising from the Western Access Route over £1 billion is being invested in major developments over the next few years.
- 1.4 The Council has however ensured that it is as lean and fit for purpose as possible. The Council continues to streamline its management; it has entered into shared services arrangements with Cannock Chase Council for back office services that have delivered £0.580 million of savings per annum since 2012-13. The Council continues to make best use of its assets and in particular has downsized its own floor space to let accommodation to partner

organisations generating additional income of £0.258 million per annum. Income from development control has substantially increased in recent years whereas the council have made considerable savings by extending the useful life of the refuse vehicles via its partnership with Biffa Waste. The outcome of these measures to date has been to move to self sufficiency but at the same time ensure that any efficiencies are passed on to residents. Council Tax for Stafford Borough has not increased in any of the last 6 years and was actually reduced in 2014-15.

- 1.5 The successes to date reflect the pro active approach of the Council and this efficiency plan focuses on how the council needs to transform and redesign itself to deliver its priorities based upon the forecast shortfall it faces in 2018-19 and 2019-20.

## 2. **Corporate Plan**

- 2.1 The cornerstone of the Efficiency Plan is the **Corporate Plan**. The 2016-20 Corporate Plan entitled “ A Prosperous ,safe and healthy place to live, work and visit” was approved by Council in February 2016

- 2.2 The Plan mapped out the Council priority areas for the next four years as follows:-

- Prosperity
- Clean, Green, Safe
- Health and Wellbeing
- Leading and Delivering for our Communities

Each of the priorities’ are defined by outcome and by delivery in the plan with a key set of actions/outcomes and key partner/partnership being identified.

- 2.3 A link to the corporate Plan is as follows: -  
<http://www.staffordbc.gov.uk/live/Documents/Policy%20and%20Plans/Corporate-Plan---Improving-Stafford-Borough.pdf>

## 3. **Medium Term Budget**

- 3.1 The Corporate Plan was approved as part of the overall policy framework of the Council with the **General Fund Revenue Budget 2016-17 to 2018-19 and Capital Programme 2015-16 to 2018-19** being also approved at is February meeting

- 3.2 Table 5 of the report provides a summary of the approved budget as follows  
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<b>Table 5 : Draft Revenue Budget</b>			
	<b>Budget 2016-17</b>	<b>Budget 2017-18</b>	<b>Budget 2018-19</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Net Expenditure</b>			
Portfolio budgets	14,043	14,233	15,143
Investment income and Financing Adjs.	252	427	427
<b>Net Spending</b>	<b>14,295</b>	<b>14,660</b>	<b>15,570</b>
<b>Less: Government Grants</b>			
NNDR Multiplier - Section 31 Grant	(38)	(38)	(39)
Rural Services Grant	(6)	(11)	(16)
Council Tax Freeze Grant			
New Homes Bonus	(2,563)	(2,943)	(2,374)
<b>Budget Requirement</b>	<b>11,688</b>	<b>11,668</b>	<b>13,141</b>
<b>Financing</b>			
Business Rates	(4,267)	(4,790)	(4,911)
Revenue Support Grant	(1,288)	(618)	(208)
Council Tax Income	(6,563)	(6,630)	(6,696)
<b>Total Financing</b>	<b>(12,119)</b>	<b>(12,038)</b>	<b>(11,815)</b>
<b>Transfer to Working Balances</b>	<b>430</b>	<b>370</b>	
<b>Saving Requirement</b>			<b>1,326</b>

- 3.3 The Medium Term Budget shows a surplus/ transfer to working balances in 2016-17 and 2017-18 but a material deficit in 2018-19. Paragraphs 5.7.5 to 5.7.9 of the Council Report highlighted the efficiency savings that are being progressed to deliver a sustainable budget in the future and these are discussed in more detail in section 5.
- 3.4 Available uncommitted Capital Resources as per the Budget Report amounted to £2.032 million with working balances as at 31 March 2015 amounted to £2.001 million. Stafford Borough Councils detailed budget can be accessed via the following link [http://www.staffordbc.gov.uk/live/Documents/Financial%20Planning/Budget\\_2016-2017.pdf](http://www.staffordbc.gov.uk/live/Documents/Financial%20Planning/Budget_2016-2017.pdf)
- 3.5 The budget book details the budgets for 2016-17 to 2018-19 however a great deal of uncertainty exists in relation to the funding streams of the Council .Details of the impact of changes to New Homes Bonus for 2017-18 and 2018-19 are still awaited; the longer term impact of the Business Rates Reform / Review needs to be taken into account, in addition 2018/19 will see a new Waste Management Contract with potential changes to Recycling Credits. Projections for future years therefore need to be treated with a great deal of caution and the implementation of fundamental policy decisions deferred until a clearer financial plan becomes available during the current year.

3.6 The Council is committed to maintaining or improving service provision and the delivery of Efficiency Savings as soon as practically possible is fundamental to deliver this objective.

#### 4. Strategic Issues Facing the Council

4.1 The Corporate Plan and Medium Term Financial Strategy are subject to continuous review and a key element of this is the updating of the Strategic Issues /Risks facing the Council.

4.2 Key challenges arising from the latest review include:-

- Town centres- support for the North end of Stafford Town Centre following the opening of the Riverside development; Long term Parking requirements reflecting growth needs
- Ensuring the appropriate infrastructure for growth including new highways, community provision and burial space. A key element being the successful delivery of the Western Access Route
- Community Leadership - Identification of need and ability to influence key partners particularly in relation to the former University site; HS2 and the County Hospital.
- Impact of other authorities/partners budgets - The ongoing reduction in settlements for Local Government; Police and Fire, together with the deficit reduction programmes for the Health Service will ultimately have a direct /indirect impact on this authority and close working relationships with Staffordshire County Council need to be enhanced

4.3 Council at its meeting in November will consider its 2016/17 to 2019/20 Financial Plan set against the above background. The Financial Plan will now incorporate 2019/20, the final year of the current 4 year local Government settlement. No detail figures are yet available for this budget year. However known cost pressures include inflation (£0.174 million); Employer contributions (£0.160 million) whereas the demise of Revenue Support Grant will see resources reduce by a further £0.208 million.

#### 5. 2016-17 to 2019-20 Efficiency Plan.

5.1 The Council's Efficiency Plan is both outward and inward looking and involves both real savings (cash ) that enable resources to be reinvested /aligned with corporate priorities but also enables indirect savings to be achieved across the public sector by working in partnership. Further development of strategic partnerships around the Community safety; Economic Prosperity and Health and Well Being priority areas are key to this.

5.2 The Council itself will drive through efficiencies by transformation and collaboration to ensure service provision to all our stakeholders is not only

maintained but improved wherever possible. This may involve changes to the method of service delivery or increasing the scope for entrepreneurship.

- 5.3 The Council have identified 5 key efficiency strands Leisure and Culture Partnership arrangements: capital optimisation; structural downsizing; income generation and shared services.

#### Leisure Partnership

- 5.4 In light of the initial forecast deficit/ efficiency saving requirement facing the Council in 2018-19 , as highlighted in the Financial Plan, Cabinet at its meeting of the 5 November 2015 recommended that the “principle of the future provision of Leisure and Culture Services should be through a Charitable Trust arrangement” be approved. The proposal would result in annual savings of £540,000 per annum with an intended implementation date in December 2017.
- 5.5 A Project Board has been established to oversee this. Early market engagement has been undertaken that indicates that this is the minimum level of saving achievable. The Information Memorandum; PQQ and Service Specification will be issued to potential bidders in October 2016 and successful contractor appointed in July 2017.

#### Capital Optimisation

- 5.6 The Council Capital programme is based upon an invest to save philosophy and recent investments includes contributions to the Riverside Development.; and Street scene Fleet Procurement The capital Programme also includes investment in the Stone Leisure Strategy generating ongoing revenue savings of £0.120 million per annum.
- 5.7 It was initially envisaged that the Council would need to supplement its capital resources via borrowing however due to the ongoing efficiency savings of the Council the 2016-17 to 2018-19 financial plan assumes the use of a Revenue Contribution to Capital Outlay to offset the need to borrow with an ongoing saving of £0.160 million.

#### Structural Downsizing

- 5.8 The Council has over a number of years strived to reduce its senior management costs and corporate overheads. A root and branch process exists whereby the strategic needs and capacity of the organisation is kept under review with all vacancies also being reviewed from an operational perspective.
- 5.9 Efficiency savings identified to date in the current year relate to restructuring of Regulatory Services and the Health and Housing Group with the retirement of the Head of Policy and Improvement providing further scope for savings. A review of Senior Management, reflecting the partnership arrangements for

Leisure etc. and potential for further shared services will be undertaken by the new Chief Executive (starts November 2016).

### Income Regeneration

- 5.10 The Council continues to explore the options for diversification in relation to commercialisation /entrepreneurship and the establishment of joint venture /trading companies to deliver the outcomes of the authority through options appraisal and business cases. At present street scene and affordable housing options are being explored with Building Control also being looked at from a pan Staffordshire agenda.
- 5.11 The Council also ensures that it maximises income from its assets and in particular maximise the rental income it receives from the Civic Centre. South Staffordshire and Shropshire Foundation Trust have recently relocated to the Civic Centre with plans for the County Council to relocate part of their services during 2017/18 being progressed, Subject to this coming to fruition a further saving of £0.200 million will arise.

### Shared Services

- 5.12 The Council currently operates a shared services arrangement for its support services and options to extend this to front lines services are now being explored. The first tranche of services to provide outline business cases will be Environmental Health and Development Control/Planning Policy. Savings can not to be accurately forecast at this time but based upon earlier assessments for these services potential savings of £0.180 million are envisaged with effect from April 2018.

## 6. Summary

- 6.1 The table below identifies the potential minimum efficiency /savings targets arising from the 2016/17 to 2019/20 Efficiency Plan.

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Leisure Partnership	0.270	0.540	0.540
Capital Optimisation		0.160	0.160
Structural Downsizing	0.220	0.220	0.220
Income Generation	0.200	0.200	0.200
Shared Services - Phase 1		0.180	0.180
Phase 2			0.200
<b>Total</b>	<b>0.690</b>	<b>1.300</b>	<b>1.500</b>