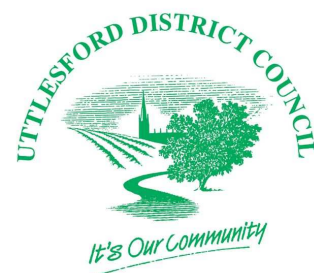


Uttlesford District Council

Efficiency Plan



Uttlesford District Council
October 2016



Multi-Year Settlement

Members and Senior Management are aware of the challenges that the council is facing in future years with the Government's ongoing budget deficit reduction programme resulting in continued reduced financial support to Local Authorities. The Multi-Year Funding Settlement will offer the Council a degree of certainty to assist in the Financial Planning, enabling us to make proactive decisions on how to make efficiencies and savings whilst maintaining a high quality of service to our residents.

The Corporate Plan and Council Ambitions

Uttlesford District Council strives to maintain the ethos of a High Quality, Low Tax council, the corporate plan and council ambitions are keeping Uttlesford safe, promoting well-being and protecting and enhancing the environment and this is reflected in the council's focus on a new service related to Health and Wellbeing. The council's focus is to provide key services that are delivered efficiently and effectively. The District provides a very attractive place to live and do business; the Council is in the final stages of producing a robust and relevant Local Plan to meet local housing, health and prosperity needs, particularly high quality affordable housing including local authority, and allocation of additional employment land to enable businesses to grow. Regular Council surveys of our residents demonstrate a high level of satisfaction with our services and this is supported by the results of the most recent Essex Residents' Survey. It is important that throughout the changes the Council remains focused on providing quality services to our residents, businesses and visitors.

Medium Term Financial Strategy (MTFS) and Reserves Strategy

We believe that our MTFS is resilient and robust and this is underpinned by the following themes related to achieving efficiencies and savings

- **Commercialisation and income generation**

The creation of four wholly owned subsidiary companies of the council, which comprises a holding company and three business areas; managed lettings, land development and service commercialisation.

Identifying opportunities to generate income; this currently includes the rental of spare office space for external businesses, developing the council's main office as a wedding venue and promoting advertising on council vehicles.

- **Service Re-design**

Reviewing services and looking at efficiencies that can be made within service delivery without compromising on the quality of service provided to residents; this will include further savings on procurement.

- **New ways of working**

Alternative ways of delivering services which include digital service delivery, joint working, shared services and partnerships to maximise the effectiveness of our services. Critical to this element will also be how we work with our residents to enable them to do more for themselves.

The council's Reserve Strategy includes a Transformation Reserve of £1.0m; this is to support the efficiency programme in investment and support related to the changes required in taking the council forward and achieving a balanced budget.

The Medium Term Financial Strategy (MTFS) shows that we are in stable position until 2018/19 when we move into a deficit position and this deficit increases to £1m by the end of the plan. The MTFS is reviewed twice a year and updated to reflect the current financial situation.

The council is currently awaiting the outcome of the New Homes Bonus (NHB) and the 100% Business Rates Retention (BRR) consultation as both of these could have a significant impact on the council's bottom line surplus/deficit in current and future years. Until the final outcome on these two funding streams is announced we will remain in an uncertain financial position.

The MTFS has taken a prudent approach regarding the NHB and based its assumptions on the announced funding envelope available to be distributed. Whatever the outcome we can be assured that the council will not receive the current level of NHB it has in previous years.

No adjustments have been made to the MTFS at this point on the BRR scheme, but the consultation raises the issue of 'riskier' hereditaments being removed from the local lists and incorporated into the central list, airports are detailed as a potential hereditament to be transferred. The transfer of the airport will have a significant negative financial impact on the council and this has been identified in our response to the consultation.

Efficiencies Programme – 5 year plan

This plan is building upon a sound foundation of financial management and demonstrates the Council's capability and appetite to achieve further efficiencies whilst maintaining effective quality services. Since 2007 efficiencies totalling £2.5m have been identified and delivered in the General Fund. In addition, £1.8m of procurement savings have been achieved within the Housing Revenue Account.

Based on current information and associated assumptions, the councils budget model shows that if we take no action the cumulative deficit will be £1.646m by 2021/22. The budget position for each year is as follows:

2017/18 - £1.911m surplus (this is dependent on the outcome of the VOA appeals list)

2018/19 - £0.771m deficit

2019/20 - £0.743m deficit

2020/21 - £0.957m deficit (this is dependent on the outcome of the BRR consultation)

2021/22 - £1.086m deficit (as above)

Risks

1. For the year 2017/18 and beyond the outcome of the NHB consultation and the VOA appeals list could have material impact
2. From 2020/21 the outcome of BRR will have a material impact.

Efficiency Plan	2017/18	2018/19	2019/20	2020/21	2021/22
	Year 1	Year 2	Year 3	Year 4	Year 5
Income Generation	£75,000	£150,000	£150,000	£150,000	£150,000
Achieved through our commercial company, renting out of parts of main council office, renting of advertising space on council vehicles					
Service Re-design	£100,000	£321,000	£350,000	£400,000	£450,000
Achieved through changes to the way we communicate with our customers, changes to or ways to pay and vacancy management					
New Ways of Working	£100,000	£300,000	£300,000	£486,000	£500,000
Achieved through new, more efficient ways of working					
	£275,000	£771,000	£800,000	£1,036,000	£1,100,000
Summary					
In year (surplus)/deficit as per MTFS plus growth plus salary increase	(1,991,000)	771,000	743,000	957,000	1,086,000
Less in year savings	(275,000)	(771,000)	(800,000)	(1,036,000)	(1,100,000)
(Surplus)/Amount to be saved	(2,266,000)	0	(57,000)	(79,000)	(14,000)