

Committee:	Date:
Efficiency and Performance Sub-Committee Finance Committee	6 July 2016 19 July 2016
Subject:	Public
Efficiency Plan	
Report of:	For Information
Chamberlain	
Report author:	
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Summary

The Court of Common Council agreed at its 3rd March 2016 meeting that an efficiency plan be published subject to assessment of detailed requirements.

Summit Group on the 19th April supported a proposed framework that would incorporate continuous improvement savings, with a rolling programme of departmental peer reviews to help secure more radical changes in efficiency and effectiveness, alongside a limited number of cross cutting reviews.

A draft Efficiency and Sustainability Plan has now been prepared in draft for comment prior to review by officers. This is intended to be a high level plan, focusing on the existing Service Based Review programme and other agreed transformation initiatives, along with the framework that currently exists and is being developed for continuous efficiency improvement for 2017/18 and later years. The link through to sustainability and medium term financial strategy is a key context in the plans being developed by Local Authority bodies and therefore this has been reflected in the drafting and labelling of the Corporation's plan.

This report was prepared in advance of the EU Referendum result; it may therefore be necessary to revisit the assumptions in the light of further work on the short and medium term impact.

Recommendations

The Committee is asked to:

- Comment of the draft of the Published Efficiency and Sustainability Plan
- Note the milestones for the review and approval of the published Efficiency and Sustainability Plan

Main Report

Background

1. The Local Government provisional funding settlement includes figures for four years (2016-17 to 2019-20). The Government presented this as an 'offer' to local government with the proviso in the consultation being that any Council accepting the offer will have to publish an efficiency plan by the 14th October 2016.

2. The Court of Common Council agreed at its 3rd March 2016 meeting that an efficiency plan be published subject to assessment of detailed requirements. In the absence of onerous conditions, we have proceeded on the production of an Efficiency Plan, which will cover the period through to 2019/20. Appendix 2 sets out the consultation and approval timetable for the preparation of the Efficiency Plan.
3. No specific guidance has been provided on the nature of these efficiency plans other than that they should be published and recognition that efficiency targets should already be reflected in the Medium Term Financial Strategy for Councils. The Head of Finance – Projects attended a CIPFA workshop on this subject, which included a representative from DCLG. The input and discussion from this workshop has helped inform the development of this draft plan. The link through to sustainability and medium term financial strategy is a key context in the plans being developed by Local Authority bodies and therefore this has been reflected in the drafting and labelling of the plan.
4. Summit Group on the 19th April supported a framework which incorporates
 - An across the board light touch continuous improvement annual saving of 2-3% in departmental budgets from 2018-19, with an incentive element adopted - in which a share of the savings could be re-invested in new priorities in the subsequent year as part of a revised carry-forward process
 - Option of removing the 1% pay and prices allowance earlier in 2017/18 when the majority of SBR savings will have been delivered.
 - Rolling programme of departmental peer reviews to help identify more radical effectiveness and efficiency improvements, most likely to impact from 2018-19 onwards.
 - Further cross cutting reviews, including prevention/demand management, when the current reviews have been implemented.

Member engagement

5. Resource Allocation Sub-Committee were consulted on the latest assessment of the medium term financial position at their Away Day on the 24th June and the proposed framework for delivering further efficiency savings when the current SBR framework comes to an end. The latest assessment of the medium term financial position will need to be reflected in the next iteration of the draft plan.
6. The Finance Committee and Resource Allocation Sub-Committees will be consulted on the proposed efficiency framework at Committee meetings in July. The member breakfast briefing session on Finance arranged for the 7th July will include a discussion on the development of the plan.

Publishing an Efficiency Plan

7. It is proposed to agree the draft published Efficiency and Sustainability Plan with Summit Group on the 12th July 2016, with Member agreement sought via Policy and Resources Committee and Finance Committee in September and for final approval to the Court of Common Council in October. This is intended to be a

high level plan, focusing on the existing Service Based Review programme and other agreed transformation initiatives, along with the framework that currently exists and is being developed for continuous efficiency improvement for 2017/18 and later years. It would not be used to set out specific details of new individual efficiency initiatives.

Corporate & Strategic Implications

8. The review supports Key Policy Priority 2 in the Corporate Plan 2015-19: “Improving the value for money of our services within the constraints of reduced resources”.

Conclusion

9. The development of the Efficiency and Sustainability Plan for the Corporation will provide a framework to consider how the Corporation will continually review its priorities and operations and seek efficiency and performance improvements. Savings made as a consequence of further efficiency initiatives can then be positively applied to addressing funding gaps, enhancing services and pursuing new priorities.

Appendices

1. Draft Published Efficiency and Sustainability Plan
2. Efficiency and Sustainability Plan – Consultation and Approval Milestones

Background Papers

City Fund 2016/17 Budget Report and Medium Term Financial Strategy

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