**Efficiency Plan 2016/17 – 2019/20**

**South Lakeland District Council September 2016**

This efficiency plan has been prepared in response to the Government’s invitation for a 4-year funding settlement for the period 2016/17 – 2019/20 and was approved by Council on 22 September 2016.

The four-year settlement is important to the medium term financial stability of the Council although it only relates to certain elements of funding: Revenue Support Grant, Transitional Grant and Rural Services Delivery Grant. It supports the Medium Term Financial Plan (MTFP) approved by Council in July 2016. The Council prepares a Medium Term Financial Plan which is refreshed during the year as circumstances change. The financial model is currently for the four years to 2019/20 and will be extended to 2021/22 during the 2017/18 budget process. Through sound financial planning the Council is on track to balance the Council’s budget for 2017/18 and have a savings process in place to identify savings required to balance budgets to 2019/20. [The latest MTFP](https://www.southlakeland.gov.uk/your-council/council-business/finance/medium-term-financial-plan/) shows the Council has to find just under £1m of savings by 2019/20:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Medium Term Financial Plan: Financial Model July 2016** | | **2016/17** | **2017/18** | **2018/19** | **2019/20** |
|  |  | **£000** | **£000** | **£000** | **£000** |
| Service Expenditure |  | 30,085.2 | 28,254.3 | 27,506.7 | 27,527.3 |
| Uncommitted Growth |  | 0.0 | 500.0 | 500.0 | 500.0 |
| Service Income |  | -13,841.5 | -13,812.8 | -13,420.0 | -13,600.2 |
| Non-Service Income and Expenditure |  | -16,243.7 | -14,738.4 | -13,848.0 | -13,529.8 |
| **Net Projected General Fund Budget Deficit (savings to be identified)** |  | **0.0** | **203.1** | **738.7** | **897.3** |

The Council approved its financial strategy in the 2013/14 – 2017/18 Medium Term Financial Plan approved in July 2013. The following principles were approved:

* + - 1. **Balanced budgets**: Maintain a balanced budget position, and to set a medium term financial plan maintaining and strengthening that position
      2. **Five year budgets**: the Council sets budgets for a five year period.
      3. **Strong financial management:** The Council controls and monitors the actual position of the authority on a regular basis setting out actions to correct any emerging issues;
      4. **Understanding of key cost-drivers:** The Council analyses and reviews the key elements of the service areas including the use of benchmarking;
      5. **Asset maintenance**: the Capital Programme should ensure adequate programmes of maintenance to sustain values of key assets, especially income-generating assets.
      6. **Legal transactions**: the approval and adoption of the Council’s Constitution, particularly the Financial Procedure Framework and the Contract Procedure Rules set foundations for ensuring legal transactions alongside the whole system of internal control reviewed annually in the Annual Governance Statement.
      7. **Affordable investment**; to undertake a prudent level of capital investment to meet the Council’s strategic priorities and remain within prudential borrowing limits
      8. **Maximise resource base;** the Council will ensure the best use of physical and other assets including staff time;
      9. **Value for money**; Continuous review of budgets to ensure resources are targeted on key objectives and deliver value for money to local taxpayers.
      10. **Working with others:** to ensure all services are delivered by the most appropriate body. This may require the Council to work in partnership or to facilitate provision by other bodies.
      11. **Minimise financial risk** including holding reserves as appropriate and sustainable levels of debt

These principles have been used to guide the Council’s financial plans.

The Council has a proven track record in responding to the financial pressures in local government, managing with significantly reducing resources, freezing Council Tax between 2010 and 2015 while making savings of £2.9m since April 2014.

The Council’s priorities are set out in the Council Plan: (<http://www.southlakeland.gov.uk/council-business/council-plan/>). The Council Plan sets out the strategic approach to how the Council will shape delivery of the outcomes. It will be done in a number of ways:

* + - * 1. **More local** – embracing neighbourhood working, engaging communities and empowering them to deliver on things that matter
        2. **Partnership working and collaboration** – including Health and Wellbeing Forum, shared Economic Growth Strategy
        3. **Stewardship** -to continue to plan and manage its resources effectively and will enhance its role as an environmental steward
        4. **Innovation –** through our Customer Contact Strategy we will reduce costs by using improved technology whilst at the same time improving customer service and access to our services.
        5. **Our Members, Our Workforce** – our elected members act as advocates to ensure that the needs of the local communities are identified. We need a workforce that is in the right place, at the right time, with the skills and motivation,to deliver on the Council’s priorities.

The Council plan details the Council’s Corporate Priorities, which are

* + - * + **Economy**: “Enabling and delivering opportunities for sustainable economic growth”.
        + **Housing:** “Providing homes to meet need”.
        + **Environment**: “Protecting and enhancing our environment”.
        + **Health and Wellbeing**: “Improving health and reducing health inequalities”.

The Council has a long term ambition for “1000 jobs and 1000 affordable homes for rent”.

As well as identifying and delivering financial savings, the Council has ensured there is investment in the future by identifying both revenue and capital funds for service development based on the Council’s priorities and invest to save initiatives.

The Council takes a strategic approach to service delivery. A number of major strategic reviews are currently underway including the Corporate Property Strategy and review of core corporate assets, review of housing alternative models for delivery, the Kendal Town Centre Masterplan and use of Community Infrastructure Levy, replacement of the Local Plan with a new framework and Objectively Assessed Need, the Leisure Facilities strategy and the Economic Development Strategy. These may require changes in current spending and funding plans.

The Council is investing in transformation projects to deliver service improvements and savings. The main Customer Connect programme builds on the formal Shared IT Service with Eden District Council since April 2012 and will deliver the Customer Contact Strategy: *To improve the lives of our residents by delivering the services and support they require in a way which suits them and provides the best value for money for taxpayers.*

The strategy set out a set of guiding principles on which it would be delivered:

1. Fully understanding what our customers require

2. Maximise the use of digital channels

3. Empower customers to self-serve

4. Support access and independence

5. Deliver services in a streamlined way

6. The customer channel of choice is accessible

The programme will have three strands: digital, people and places. The key outputs for the programme are:

* Save a minimum of £850,000 (year on year)
* Have fewer roles in the organisation
* A new structure with clearly defined roles (a need to reinvent roles)
* New Agile digital platform with opportunities for Members, staff and customers to improve service delivery
* New opportunities for those who want it, an exciting place to work with a strong brand
* Upskilled staff and Members, demonstrating the right behaviours (as set out in the Personal Qualities Framework)

There will be a significant improvement on our mobile working solutions for staff and how they operate within the council. There is also a need to review our assets. Identifying the best solutions to deliver services locally and looking at our requirements based on our future state. We will also look at how we do business across the district, supporting the Council’s localism agenda and neighbourhood planning work with other key stakeholders including the National Parks and Cumbria County Council.