

# Kettering Borough Council

## EFFICIENCY PLAN 2016/17 – 2019/20

### Introduction

The following efficiency plan provides details on how the Council has maintained and enhanced service provision with reduced levels of funding over the last few years and then goes on to set out the Council's approach to delivering a balanced budget over the next four financial years.

The plan provides an overview of the:

- Council's approach to delivering efficiency savings and increasing revenue
- Financial context and the Council's track record of delivery
- Plans in place for the future, along with key financial targets and monitoring arrangements.

### Background

In common with other councils, the services provided by Kettering Borough Council are operating under intense demand and resource pressure. This is likely to increase further in the years ahead.

We very much welcome the increased stability and certainty the four-year grant settlement will provide. Kettering Borough Council has always looked to maximise efficiency and continues to challenge how services are delivered in order to provide best value to the taxpayer. The Council continues to work hard to reduce costs, develop meaningful partnerships, generate new revenue streams and above all, continue to provide public services that improve the quality of life and well-being in the area.

Kettering Borough Council has a solid track record in delivering quality public services within a balanced budget. The challenges ahead call for new ways of thinking, behaving and operating and this plan sets out in broad terms how this will be achieved.

### Our approach to delivering efficiency savings and increasing revenue

#### Decision making based on sound principles

The Council has a number of financial strategies, principles and rules that have provided a strong cornerstone for delivering balanced budgets and a robust medium term financial strategy. These consist of:

- A set of '**Guiding Principles**' that frame the financial strategy
- A set of '**Modelling for Recovery**' principles, that ensures that the Council's approach promotes local economic growth and development
- A '**Budget Containing Strategy**' ensuring that the Council does not absorb budget reductions of other service providers without making conscious decisions to do so.
- A set of '**Prioritisation Golden Rules**' ensuring that business decisions are in line with key corporate priorities, and moving towards a self-sufficiency model whilst continuing to have a positive impact on strategic partnerships.

## Taking a balanced approach

Kettering Borough Council's success in delivering a balanced has come from the application of a budget delivery framework. The Framework has ensured a broad, deep and cross-cutting approach has been maintained. The framework consists of the following nine areas and has been fundamental in setting and delivering a balanced budget.

1. **Prioritisation** – ensuring that the Council stays focussed on what is important.
2. **Service plans** – ensuring that the Council provides its services effectively, within standards and budgets.
3. **Staff suggestions** – making sure ideas and energy from staff are harnessed.
4. **Partnership working** – Ensuring the whole is greater than the sum of its parts.
5. **Lobbying / Growth** – working to help national government deliver growth.
6. **Asset and commercial investments** – making sure commercial opportunities are developed and considered ensuring the council moves towards a balance portfolio giving consideration to revenue yield.
7. **Fees and charges review** – working to make sure that the Council makes conscious choices about what it charges for.
8. **Innovation** – ensuring that the Council thinks radically in order to seek new opportunities to cut costs, improve services and generate new income.
9. **Capital review** – making sure consideration is given to revenue returns when making capital investment.

## Financial context and the Council's track record of delivery

### Medium Term Financial Planning

Kettering Borough Council has worked hard over the years to instil a culture that ensures the Council lives within its resources.

The Council has maintained a focus on its priorities and has a well-developed Medium Term Financial Strategy that is the foundation when setting budgets. The MTFS is reported to the Councils Executive on a monthly basis, and is summarised below.

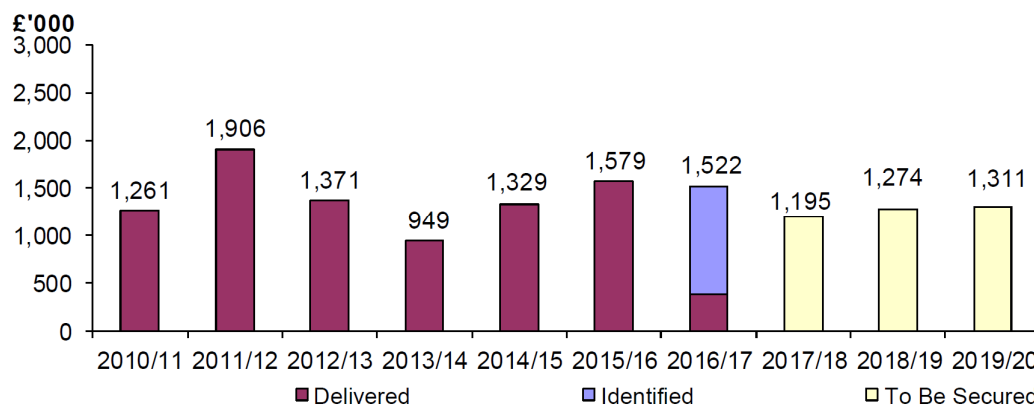
### The Councils Medium Term Financial Strategy

TABLE 1 - MEDIUM TERM FINANCIAL FORECAST							
		Zone of "Predictability"	Zone of "Unpredictability"			Severe Unpredictability	
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
		Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
1	<b>Net Council Budget</b>	11,497	10,612	10,449	10,207	9,803	9,539
2	<b>Forecast Resources:</b>						
	<b>Government Grant</b>						
2a	Revenue Support Grant	(1,161)	(546)	(171)	250	0	0
2b	Business Rates	(2,310)	(2,355)	(2,425)	(2,503)	(2,000)	(2,000)
	<b>Total Government Grant</b>	<b>(3,471)</b>	<b>(2,901)</b>	<b>(2,596)</b>	<b>(2,253)</b>	<b>(2,000)</b>	<b>(2,000)</b>
	Council Tax / Coll'n Fund	(250)	(200)	(200)	(200)	(200)	(200)
	Income From Council Tax	(6,254)	(6,316)	(6,379)	(6,443)	(6,507)	(6,571)
	<b>Total Resources</b>	<b>(9,975)</b>	<b>(9,417)</b>	<b>(9,175)</b>	<b>(8,896)</b>	<b>(8,707)</b>	<b>(8,771)</b>
3	<b>Budget (Surplus) / Deficit</b>	<b>1,522</b>	<b>1,195</b>	<b>1,274</b>	<b>1,311</b>	<b>1,096</b>	<b>768</b>
4	<b>Savings Identified</b>	<b>(1,522)</b>	<b>(485)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
5	<b>Savings - To be Identified</b>	<b>0</b>	<b>(710)</b>	<b>(1,274)</b>	<b>(1,311)</b>	<b>(1,096)</b>	<b>(768)</b>
6	<b>Budget (Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
GENERAL FUND WORKING BALANCE							
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
		£000	£000	£000	£000	£000	£000
7	<b>Estimated Opening Balance</b>	<b>(1,415)</b>	<b>(1,425)</b>	<b>(1,435)</b>	<b>(1,435)</b>	<b>(1,435)</b>	<b>(1,435)</b>
8a	Town Centre Initiatives	40	40	0	0	0	0
8b	Transitional Grant	(50)	(50)	0	0	0	0
9	<b>Estimated Closing Balance</b>	<b>(1,425)</b>	<b>(1,435)</b>	<b>(1,435)</b>	<b>(1,435)</b>	<b>(1,435)</b>	<b>(1,435)</b>

## Sound track record of delivering efficiency savings

Kettering Borough Council has a solid track record in delivering tangible efficiency savings as illustrated in the graph below. This programme of efficiency savings has gone hand in hand with a sound medium term financial strategy.

**Chart1 – Efficiency Savings from 2010/11 to 2019/20**



Key to the success of the above balanced approach to date has been the close engagement of staff and members in the process of delivering savings.

### A partnership approach to public services

Kettering Borough Council has a track-record of delivering innovative public service partnerships. Recent partnerships with the Probation Service, Police and Coroners Service further complement the Council's work with CAB and the local hospital. The phlebotomy unit provided by the local hospital in the Council's offices is a prime example of how the Council has focussed on economies of scope, not just scale.

The Council will continue to develop its partnerships and will maintain a close dialogue with public sector partners based in North Northamptonshire.

### Plans for the future, key financial targets and monitoring arrangements.

#### Future efficiency targets

In order to model the medium term the Council has indicative savings projections for the next 3 years, as illustrated in chart 1.

In order to deliver balanced budgets in the medium term the Council will continue with the approach already described in this plan to deliver the required efficiency savings, however a greater focus on asset optimisation will be required.

#### Asset optimisation and commercial investment

The Council's strategy to date has been successful, however it is anticipated that it will become increasingly difficult to deliver the same magnitude of savings without a different focus.

In order to help deliver the necessary change in focus, the Council has reviewed the senior professional leadership. This has reduced the number of service heads through consolidating service areas. It has also increased capacity in areas such as commercial development. The commercial focus has a number of benefits.

- Provides a focus on capital investments that yield a revenue return
- Promotes growth in the borough

To move towards greater self-sufficiency and develop a commercial approach the Council will increase resources for capital investment.

In addition, the Council is maintaining a close dialogue with other public service providers in North Northamptonshire focussed on closer collaborative working and continues to develop partnership working with them to develop stronger working relationships.

## **Risk**

Although the Council has identified a need to change focus in order to deliver future budgets it also recognises a number of risks, these risks are summarised below:

- **Some major funding streams are not covered by the settlement;** this still creates an uncertain environment for Local Government.
- **Policy Changes,** changes in policy from partners or Central Government could impact on future levels of funding.
- **Transfers of Functions,** It is not clear on what functions local authorities will be expected to take on. Although funding must follow function.

To mitigate the risks the council holds a number of reserves. A number of these enable the Council to manage risks that arise should any of the significant threats come to the fore.

## **Delivery of future efficiency targets**

### **Monitoring the delivery of our efficiency plans**

Kettering Borough Council has a strong, well developed approach to performance and financial management.

The delivery of the Council's efficiency plans, along with other key budgetary and performance information is reviewed monthly by the senior management team and reported to the Executive Committee.

Key financial and performance information is routinely reported to the Council's Monitoring and Audit Committee.

## **Summary**

Over the last few years we have worked hard to reduce costs, develop meaningful partnerships, generate new revenue streams and above all, continue to provide public services that improve the quality of life and well-being in the area. This efficiency plan sets out our approach in continuing to sustain a balanced budget whilst continuing to provide excellent service delivery to local residents over the medium term.