Financial sustainability plan

Protecting customer services

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SUMMARY

1.1 The Final Local Government Settlement for 2016-17 set out an offer from the Government to Local Authorities to enable them to access four year allocations of funding. The Department of Communities and Local Government confirmed that the submission of an Efficiency Plan by 14th October 2016 is pre requisite for access to the funding offer.

1.2 Broadland District Council would like to take up this offer and sets out here its plans for achieving financial sustainability building on the work that has already been undertaken by the Council in its aim to become more efficient and yet still provide high quality services to its residents.

1.3 The four year funding allocations are as follows:

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1.4 The Plan details the efficiencies the Council has succeeded in delivering to date to manage its finances and what areas the Council is planning to concentrate on to move forward to meet its strategic ambitions for the coming years with the four year settlement. This is predicated on the current Medium Term Financial Plan (MTFP), Capital Strategy and Business Plan, agreed by Members in February 2016.

1.5 The Council recognises the importance of collaboration and partnership working, where it brings benefits to its residents and provides efficiencies for the Council.

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BACKGROUND

2.1 Broadland District Council was formed in 1974. The Council’s vision is for a strong and vibrant Broadland with more jobs, more homes and more opportunities, for all.

2.2 The Council’s financial capacity will be smaller than it has been in the past which means we will have to change the way we do things for the benefit of Broadland residents.
THE JOURNEY SINCE 2010

3.1 The funding for local government has been reducing since 2010 and the Council has been considering innovative ways it can deliver services and meet its ambitions.

3.2 A programme of systems thinking interventions has been undertaken in a number of areas within the Council and has delivered recurring savings totalling £354,000 to date.

3.3 Broadland Growth Limited is the Council’s joint venture with the NPS Group set up for the purpose of delivering high quality housing. The first development has 14 properties of which to date 9 are reserved. The Council has given a loan to the company, which will be returned with interest on completion of the sale of properties and then recycled for future developments. The Council will generate investment income but also deliver housing in areas of need.

3.4 A robust budget review was initiated over a five year period to ensure that budgets were allocated appropriately and as a result savings totalling £2.187m were found which meant that services to the public were not impacted.

3.5 On the retirement of the previous Chief Executive the Council took the opportunity to restructure its Management Team and as a result saved £170,000.

3.6 The Council was an early adopter of the principle of collaboration and how different services can work together across council boundaries to take a holistic approach for the benefit of its residents. The Council hosts and interacts with an Early Help Hub situated in its Council offices. The Community Safety Manager manages the Council’s Operational Partnership Team and police officers are based in the Council offices.

3.7 The Council has been a member of the Norfolk Waste Partnership and takes a proactive role in working with its District and County neighbours in devising a waste strategy which reflects the needs of its residents and protects the environment.

3.8 The Council is a member of the Greater Norwich Growth Board and is an active partner in the City Deal agreed in 2013. This has meant that major infrastructure which is of benefit to the area can be brought forward with the aim of accelerating economic and housing growth.

3.9 Since the inception of Local Enterprise Partnership (LEP) the Council has been working closely with the LEP with the aim to benefit local businesses to deliver economic growth and maximise business rates.

3.10 The Council is a member of the Norfolk Internal Audit Consortium and purchases internal audit services through the consortium as an efficient method of operating internal audit. In addition the Council outsources its legal services.

3.11 The Council is a founding member of the Norfolk Business Rate Pool, where any growth is channelled into economic growth projects for the area.
THE FUTURE TO 2020

4.1 The Council’s Business Plan 2015-2019 includes measures to ensure the Council is on track to deliver on its ambitions and gives the council strategic direction. The Council is focussed on meeting the challenges of customer demands and reducing government funding, whilst minimising the impact on the delivery of frontline services. The plan can be found at: www.broadland.gov.uk/businessplan

4.2 The Council is working with the County, Districts in Norfolk and neighbouring Councils to collaborate and deliver services in the most effective way, including progressing the implementation of the East Anglia devolution agreement for Norfolk and Suffolk.

4.3 The Council is working with the health and social care sector to consider locality working ensuring that health and care services are planned by place rather than around individual institutions.

4.4 The Council is continuing to rollout systems thinking interventions and is investing up to £100,000 in the current round to generate further efficiencies.

4.5 The Council as part of its financial planning process is considering its investment strategy to ensure that taxpayer money is secure but also generating the best return while delivering projects intended to support growth.

4.6 The Council is committed to further developments through Broadland Growth Limited to bring forward housing for its residents.

4.7 The Council has drawn up a transformation project plan to look for partners to provide integrated services in one building and is an active partner in the Norfolk One Public Estate programme.

“ Working with neighbouring Councils to deliver services in the most effective way”
RESOURCES AND RESERVES

5.1 The Council agreed its Medium Term Plan in February 2016 and included the figures given by the DCLG for a four year settlement. The plan shows unidentified savings of £250,000 per annum for the next four years and a draw on its General Fund of £5.3m million over the same period. This draw was planned to ensure that Broadland could maintain its current service level for its residents.

5.2 However to achieve financial sustainability the Council is reviewing its MTFP alongside consideration of an investment strategy all aligned with the Business Plan. This will include a review of all useable reserves.

5.3 The Council believes that it has made significant inroads into efficiencies but feels it can do more to provide an efficient effective service delivery and make further savings to enable a balancing of the books.

5.4 However this does come at a time of great uncertainty for local government and therefore a prudent reserves strategy must ensure the Council has the ability to continue business by putting aside funds for contingencies in these challenging times. The new business rate retention scheme and growth of business in the area is a key challenge for Broadland.

5.5 There is still uncertainty around major funding streams such as New Homes Bonus and Homelessness Prevention Grant which are key drivers for the Council for growth and homelessness prevention.

5.6 The Council has a low asset base which may inhibit its ability to borrow for infrastructure and growth.

“The Council believes that it has made significant inroads into efficiencies”
LEGAL CHALLENGES

6.1 The Council feels it is important to work with Government to highlight areas which can be improved. It is important with the changes to the Business Rates scheme that any loophole in the legislation, for example tax avoidance which is prevalent, is closed.

KEY RISKS

7.1 After the vote to leave the European Union there is a need for local government to work closely with Government to ensure continued opportunities for its residents.

7.2 The Business Rate Retention Scheme final outcomes have yet to be clarified and therefore there is uncertainty with future planning especially with the prospect of new responsibilities. The main concern for the Council in this area is business rate appeals especially sector led appeals which impact on all authorities in the Norfolk Pool and appeals which are cross Government departmental such as those from NHS Trusts.

7.3 The Council is working in collaboration with others such as the County’s Children and Adult Services where there is a saving/return for others from working with the District. However the Council feels that there needs to be a mechanism where these savings can be shared to enable further progress to be made with these projects.

CONCLUSION

8.1 The additional certainty of four year funding allocations provides the Council with the opportunity to plan service delivery and changes to services with a greater degree of confidence.
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Medium Term Financial Plan

Broadland District Council
Thorpe Lodge
1 Yarmouth Road
Norwich
NR7 0DU

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