

Efficiency Statement 2016 - 2020

1 Funding Gap 2016 - 2020

- 1.1 The Council's financial strategy assumes a funding gap over the period 2016 to 2020 of £49m after assuming increases in both Council Tax and Business rate income.

2 Responding Strategies

- 2.1 The Council's 2016 – 2020 responding strategies to meet this financial challenge are orientated around three themes:-
- Theme 1: Growing Swindon's Economy and Identifying New Forms of Funding
 - Theme 2: Going Local
 - Theme 3: Building Resilience

Theme 1: Growing Swindon's Economy and Identifying New Forms of Funding

- 2.2 The importance of economic growth is recognised by its prominence in the Vision for Swindon. Part of the strategy to stimulate growth includes targeted work to promote and provide financial support for new development in particular, both commercial and residential. This is a tangible demonstration of the Council's confidence in the town and will act as a catalyst for other investment from third parties. Additional new business rates directly benefits the Council and increases the resources available to support services to residents, as does additional revenue from Council Tax and the New Homes Bonus.
- 2.3 The Council will act more commercially, participating actively in residential development rather than simply offering land for sale to third parties, while working together with local and national house builders. This approach both enables the Council to benefit from development profits as well as to have more control over the scale and quality of housing development.
- 2.4 The Council will continue to seek new forms of investment both through its own activities and by working closely with Wiltshire Council through the Swindon and Wiltshire Local Enterprise Partnership (SWLEP), Central Government, private investors and other public bodies with similar economic growth ambitions along the M4 corridor and beyond.
- 2.5 A particular area of focus for the Council has been renewable energy schemes, since we are able to retain 100% of the additional business rates income from these. Any such schemes on Council land also attract a rental income stream.
- 2.6 A key element in reducing demand on Council services is stimulating behaviour change, encouraging individuals to take increasing responsibility for their own actions. To this end, the Council has recently taken steps to introduce and enhance enforcement regimes around misuse of bus lanes and anti-social behaviour in and around the town centre. While it is by no means the prime driver, the Council has to closely monitor income received from enforcement activity and reflect it in its budget if it is material.

- 2.7 In 2013, the Council commenced a programme of activity aimed at removing over time the subsidy for its Leisure and Cultural assets through working with alternative operators with a more commercial focus. The overarching objective of the review of Cultural assets is to ensure they are well positioned to enjoy a sustainable future. Inevitably this will need to involve removing the need for Council subsidy for the facilities, given the scale of demands on our resources from statutory services.
- 2.8 The Council has appointed an external organisation to identify a range of market interest in Lydiard House and Park, within the clear remit that it must remain in Council ownership and public access is retained. This recognises that developing a different, more commercial offer that will encourage people to visit and stay longer will be key to replacing the current subsidy.

Theme 2: Going Local

- 2.9 In order to secure a sustainable future for Council services, including the universal services enjoyed by all residents, the Council will continue to work with community groups, existing parish councils, commercial organisations and others to enable services to be provided more locally with newly developed governance and funding arrangements. This approach is based on our belief first set out in the Council's Stronger Together approach that decisions affecting neighbourhoods and communities should be made at a local level, in response to local priorities and circumstances. In the current and future context, it is only by working in this way that services will be sustained or improved.
- 2.10 Key to this approach is adopting a flexible approach to the way in which local services are delivered. In future, this is likely to be increasingly through a range of different providers using different and shared buildings which are multi-purpose and best serve the needs of local areas. This approach is central to the approach the Council is taking to its review of Community Based Assets.
- 2.11 Building on the Council's strategy of taking services closer to local communities, four parish councils took over responsibility for some grounds maintenance and cleaning services on a trial basis in their areas from 1st April 2015. The decision to take on these services by the Parish Councils was driven by a desire to enhance the services provided locally by the Borough Council beyond that affordable within available budgets.
- 2.12 The successes and lessons learnt from the four pilot schemes have led the Council to consider replicating this more sustainable service-delivery model in other areas of the Borough. The Council has recently been engaging with most of the 15 existing Town and Parish Councils across the Borough around potential service transfers together with undertaking a Community Governance Review to consider whether new parish councils should be established in the non-parished areas of the Borough.
- 2.13 Alongside generating new sources of funding to pay for important local services, the Council is also exploring taking a more commercial approach to some of its service provision which crosses over the Going Local and Growing the Economy themes. This includes a focus on the Council developing land for housing.

Theme 3: Building Resilience

- 2.14 Around 25% of the predicted funding gap over the next four years is due to inflationary price increases and increased demand for services provided to vulnerable people, both children and adults.
- 2.15 In order to reduce this, the Council will continue to help people to help themselves and live as independently as possible. This results in better outcomes for individuals and families and enables us to reduce demand on some of our key services so we can focus our limited resources on protecting the most vulnerable people in our community.
- 2.16 We will achieve this by co-creating and commissioning with residents and Health partners new forms of service provision and community capacity that are focused on supporting people to live more independently, building resilience in our workforce by targeting them effectively to the most vulnerable people or the greatest areas of opportunity. This will result in more people remaining independent for longer and being able to access forms of supports that are not all funded by the Council.

3 Financial Strategy

- 3.1 The financial implications of implementing changes under these three themes together with a responding reshaping of its back-office services are set out in the Efficiency Statement overleaf.
- 3.2 In March 2016 the Secretary of State issued statutory guidance on the flexible use of capital receipts. This will enable council's to finance certain revenue expenditure from capital receipts. The key criteria to use when deciding whether expenditure can be funded using the capital receipts flexibility is that it is forecast to generate on-going savings. The guidance sets out some examples of expenditure that could be financed using this flexibility, including:
- Sharing services
 - Service reform
 - Collaboration between councils
 - Service reconfiguration, restructuring or rationalisation
 - Setting up alternative delivery models.
- 3.3 The Council's Transformation Programme will incur expenditure of this nature in order to deliver the savings specified above. As such the Council may utilise the capital receipts flexibility to meet expenditure that it incurs in order to realise the savings set out in this efficiency plan.
- 3.4 This flexibility will not be applied rigidly from now on. Expenditure incurred in delivering the efficiency plan will be monitored continuously and the decision on whether or not to use the flexibility will be taken based upon the Council's best financial interests at the time.

Efficiency Statement

	2017-18	2018-19	2019-20	Total
	£'000	£'000	£'000	£'000
<u>Pressures:-</u>				
Reduction in Revenue Support Grant	7,246	4,628	4,682	16,556
Reduction in New Homes Bonus	(38)	2,646	181	2,789
Predicted Reduction in Other Specific Grants	2,292	1,726	2,837	6,855
Pay and Prices Inflation	4,700	5,200	5,500	15,400
Social Care Packages	4,000	3,500	3,000	10,500
Pension, NI and Debt Charges	2,000	2,000	2,000	6,000
Other Cost Pressures	1,500	1,500	1,500	4,500
Reduction in Collection Fund Surplus	300	300	300	900
Total of Funding and Cost Pressures	22,000	21,500	20,000	63,500
Income if Members choose to increase Council Tax by 1.99%	(1,641)	(1,697)	(1,755)	(5,093)
Income if Members choose to increase Council Tax by further 2% for Adult Social Care Precept	(1,649)	(1,706)	(1,764)	(5,119)
Estimated new Better Care Funding (15% reduction allowed for redistribution)		(1,362)	(2,876)	(4,238)
Gap after assumed increases in income	18,710	16,735	13,605	49,050

<u>Responding Strategies to close the Gap:-</u>				
Theme 1: Growing Swindon's Economy and Identifying New Forms of Funding				
Business Rates Growth	(800)	(800)	(900)	(2,500)
Council Tax Base Growth	(1,169)	(1,192)	(1,216)	(3,577)
Theme 2: Going Local				
Removal of Council subsidy of place-based discretionary services by accessing new forms of community-based funding and commercial opportunities	(4,000)	(2,000)	(1,000)	(7,000)
Reduction in Council subsidy of statutory place-based services by reducing service levels and market-testing service costs	(4,000)	(4,000)	(4,000)	(12,000)
Theme 3: Building Resilience				
Flat-line Social Care / Vulnerable People Costs through more targeted upstream prevention and service provision, outcome-based commissioning and demand management	(6,000)	(6,000)	(5,000)	(17,000)
Other emerging strategies:-				
Mitigation of part of inflationary growth through pay and procurement strategies	(600)	(600)	(600)	(1,800)
Reduction in enabling functions, cost of democracy & other services through service reductions and better use of technology	(2,141)	(2,143)	(889)	(5,173)
Balance	0	0	0	0