

Efficiency Plan

Setting the Scene

Daventry District Council provides essential local services for Daventry District, supporting the daily needs of residents, businesses and visitors. The organisation has around 200 members of staff, who operate the Council's services and work towards the authority's vision.

This is set out in the Corporate Plan and is to 'Develop a Better District' with the underlying objectives to:

- Improve our Business Economy, Learning and Skills
- Protect and Enhance our Environment
- Promote Healthy, Safe and Strong Communities and Individuals
- Be an Efficient and Effective Council

As reported to council in February 2016, the council has a base revenue budget of £9.658m for 2016/17 to support this vision and these objectives, and will have to deliver £2.538m of on-going savings by 2020/21 in order to achieve a balanced revenue budget.

	2016/17	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m	£m
Previous Year Base Budget	8.876	9.658	10.024	10.494	10.634
Employee Cost Increases	0.370	0.258	0.170	0.138	0.134
Other Cost Changes	0.412	0.108	0.300	0.200	(0.010)
Base Budget	9.658	10.024	10.494	10.634	10.758
Projected Funding	(12.173)	(10.287)	(10,043)	(9,689)	(8,220)
Projected (Surplus)/Deficit	(2.515)	(0.263)	0.451	0.945	2.538

Funding streams are volatile and therefore difficult to predict in the medium term. Medium term settlements for part of the funding would assist the Council greatly in establishing a more reliable figure for its funding shortfall, which in turn would result in better planning parameters for identifying potential efficiency savings and related measures to bridge the gap.

Managing Risk

Modern local authorities work in a constantly changing environment and so the Efficiency Plan will need to be modified in response to evolving circumstances, economic changes, changes in Government Policy, changes in the legal environment (either through legislative changes or case law), or potential changes in the make-up of the council

The impact on the Council's general revenue reserves of the annual budget surplus and deficits projected in the current Medium Term Financial Plan would be to reduce total revenue reserves from £19.876m at the 31st March 2016 down to £14.406m by the end of 2020/21.

General Fund (GF) Revenue Reserves Projections

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Non-Earmarked General Reserves					
Balances b/fwd	7.536	10.051	10.314	9.863	8.918
<i>Less:</i>					
Budget (surplus)/deficit for year	(2.515)	(0.263)	0.451	0.945	2.538
Non-earmarked reserves c/fwd	10.051	10.314	9.863	8.918	6.380
Earmarked reserves c/fwd	6.756	7.089	6.997	7.385	8.026
Total Reserves	16.807	17.403	16.860	16.303	14.406

The total reserves above include earmarked reserves of £8.026m as at 31/3/2021 which is set aside to be used to fund specific anticipated costs likely to be incurred in the future. Therefore the more relevant reserves to monitor are the non-earmarked general reserves. These general reserves are projected to reduce from a level of £7.536m (at the end of 2015/16) to £6.380m at the end of 2020/21.

As the Council's financial strategy is the need to maintain non ear-marked reserves at a level of £2m this represents an acceptable level of non-earmarked reserves by the end of 2020/21, although it clearly indicates that it would be unsustainable to meet the forecast deficit from reserves beyond that. It is therefore necessary to take action to deliver savings or additional sustainable income streams in order to mitigate this.

Efficiency Strategy

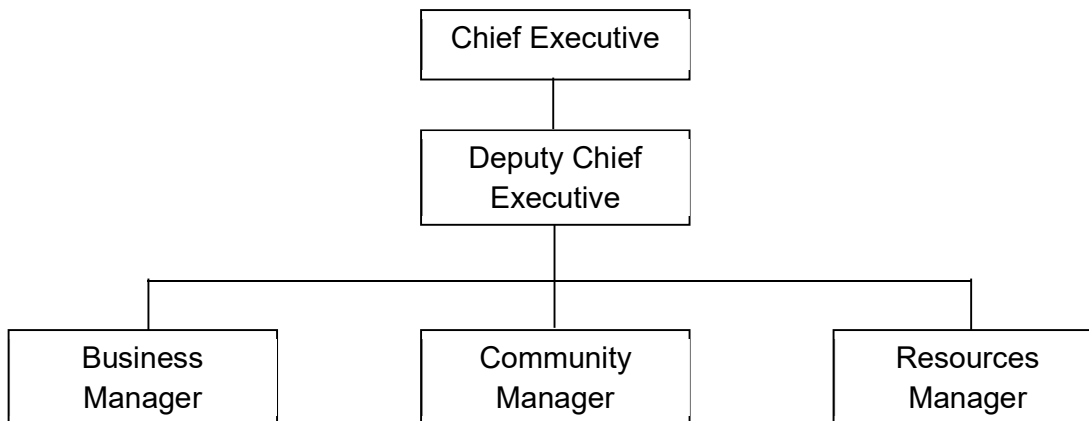
A number of policies and strategies are followed to address the challenge of financial sustainability and to identify and deliver the necessary savings to balance the budget. These include the following:

- Maximise income generation, for example by increasing Council-owned commercial floor space that is occupied and increasing income received from commercial rents. The Council pursues an active strategy of seeking income generating investments to generate greater real terms income streams than those that would be earned by retaining cash in bank deposits.
- Hold assets only if:
 - they represent the Best Value option for service delivery (acknowledging that in some cases the service being delivered may be the preservation of a building), or
 - they represent a viable form of investment.
- Minimisation of operational costs through efficiency, productivity and procurement.
- Use effective procurement to realise savings and efficiencies. This will be done through service provision decisions, working corporately, and adopting good practice.

- Explore new opportunities for collaborative working with other local authorities, notably with local partners, public sector bodies, private and voluntary sector organisations and with central government. For example the shared services arrangement with District Law, along with Wellingborough and Kettering.
- Ensuring that the Council and its partners are working in an efficient and effective manner, ensuring good performance and successfully reaching targets and delivering good quality services, for example by encouraging partners and suppliers to do business electronically to reduce costs and improve communication.
- Modernisation, for example moving the remaining physical servers into the new virtual environment to increase the flexibility and efficiency of the data centre along with supporting better ICT business continuity processes and expanding the self service offerings to customers.
- Effective Treasury Management - The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Organisational Structure

The Council has three teams in a flat structure reporting through to the Chief Executive as shown below.



Daventry District council currently has no plans to change this structure in the medium term.

Partnership and Collaborative Working

It is becoming increasingly important for the Council to work in partnership with others to deliver more efficient and effective services to our community.

Daventry District Council has adopted a Partnership Protocol to establish governance and management standards to ensure that our Partnerships are well run and deliver benefit to the authority and its residents.

The council's key partnerships include the Northamptonshire Licensing Partnership, the Northamptonshire Waste Partnership, the West Northamptonshire Joint Planning Unit, the Daventry District and South Northamptonshire Community Safety Partnership, and Daventry District Local Strategic Partnership.

Current collaborative working arrangements include District Law (with Wellingborough and Kettering councils), the Building Control shared service (with Rugby and Warwick councils), and the shared environmental services contract with Northampton Borough Council.

In addition the South East Midlands Local Enterprise Partnership is a key partner for the council, offering support in particular for local business and economic development.

Monitoring

Budgets are monitored monthly, including the delivery of savings built onto the budget. These monitoring reports are used to inform the budget process each financial year, both in terms of having achieved savings that form part of the existing budget and identifying new efficiency savings that can be incorporated in the new budget.